

Oakland county retirement health savings plan (RHS)



Welcome to your new account

Paying for health care is now easier **and** less expensive with the Retirement Health Savings Plan (RHS) from Optum Financial and Prudential. Here is some important information to help you get to know your account.

Health Savings Plan General Plan Information

Your account is provided to help you cover the cost of out-of-pocket health care expenses in retirement such as prescriptions, doctors' visits, dental, vision, medical supplies, and laboratory test fees. While you are working, your account receives contributions from your employer and potential investment earnings. Once separated & vested, you can use the account for many eligible expenses.

Who is eligible?

You are automatically enrolled in the plan if you are a full-time active employee of Oakland County Michigan. Oakland County contributes to the plan each paycheck on your behalf.

How much is contributed?

Oakland County contributes \$125 per paycheck. Employee contributions cannot be made to this plan.

Account status

While you're employed by Oakland County, your account is in a 'dormant' status, which means you cannot spend the funds. You can, however, check your account balance and manage your investment allocations any time through your Prudential login via oaklandcounty.retirepru.com. Simply login, then click on your 'Oakland County Retiree Health Savings Plan'. This will take you directly to the website.

Separated employees with a vested balance become Claims Active. At this point, you will receive a payment card from Optum Financial and may begin using your funds for eligible expenses (as defined in IRS Section 213(d)).

When am I vested?

Vesting follows a schedule based on years of service:

Years of Service:	% Vested
0–5 yrs.	0%
6 yrs.	60%
7 yrs.	70%
8yrs.	80%
9 yrs.	90%
10 yrs.+	100%

How is my money invested?

You will be automatically invested in the Plan's default fund, which is a target date fund. Target-date funds use a collective investment scheme designed to provide a simple investment solution through a portfolio where the asset allocation mix becomes more conservative as the target date (usually retirement) approaches. Target-date funds offer a lifelong managed investment strategy that should remain appropriate for an investor's risk profile even if left accidentally unreviewed.

The Plan offers a wide selection of investments to choose from. To change your investment allocations from a target-date fund, login to your Prudential account via oaklandcounty.retirepru.com, then click on your 'Oakland County Retiree Health Savings Plan'. Once on the site, click 'VEBA HRA Investments' under the "I want to ... " menu.

Support information

You can contact Optum Financial in several ways:

- Toll-free number: 844-286-8472, which provides participant service representatives 24 hours a day, seven days a week, 365 days per year.
- Prudential Toll-free number: 1-833-OAK-GOV1 (833-625-4681), which provides participant service representatives Monday through Friday from 8 a.m. through 9 p.m. ET.
- Online at oaklandcounty.retirepru.com, 24 hours a day, seven days a week. Note, unless due to system maintenance or unplanned outage. If you're a new user, you will need your name, Social Security number, birth date and ZIP code to create a PIN and a user ID.

Claims

Optum Financial manages all claims under the RHS plan. Separated employees with a vested balance become Claims Active. At this point, you will receive a payment card from Optum Financial and may begin using your funds for eligible expenses (as defined in IRS Section 213(d)).

The easiest way to access your funds is by paying for eligible expenses with your Optum Financial payment card. You can also submit manual claim reimbursement requests on the Optum Financial Participant Portal or through the mobile app.

Eligible expenses

When your account is active, you will be able to use it for hundreds of eligible expenses. Information about what is considered an eligible expense can be found in IRS Publication 502, available on the IRS website.

A few examples include: acupuncture, ambulance fees, blood pressure monitoring device, contact lenses and related materials, dental treatments, eye examination, eye glasses and reading glasses, flu shots, hearing aids, hospital services, insulin and diabetic supplies, medical testing devices, nursing services, certain over-the-counter (OTC) treatments, oxygen, physical exam, physical therapy, prescription drugs, psychiatric care, surgery, and more.

Do I need to add beneficiaries?

Per IRS regulations, the funds in a deceased member's RHS plan can only be transferred to a surviving spouse or dependent. Due to this rule, you do not need to elect beneficiaries for this plan.

Once Oakland County and Optum Financial are notified by the surviving spouse/dependent of the account holders' death, funds can be transferred into their name. The beneficiary will receive a payment card from Optum Financial and may begin using transferred funds for eligible expenses (as defined in IRS Section 213(d)).

When I leave my job, can I roll my RHS balance into an IRA or another employer's plan?

No, this plan is not "portable" like some other Retirement plans. Funds remain in the RHS plan until a member becomes claims active and spends the vested balance on eligible plan expenses.

Can I take a loan or emergency withdrawal from my RHS balance?

No, IRS regulations do not permit any type of lump sum withdrawal from this type of plan. Funds may only be used for qualified medical expenses incurred while claims active with a vested balance.

What fees are charged under this plan?

The investment custodian, BPAS, deducts a monthly \$3.00 fee from member accounts to cover Administrative costs of the Plan.

What types of reports will I receive?

The participant website provides a wealth of information regarding the RHS plan and participant activity, including:

- Account balance, displayed by investment fund and source totals
- Transaction history and claims status
- Current investment fund status and performance, with the ability to perform additional research for future elections
- Quarterly statements*, regulatory notices, and/or trade confirmations

*Quarterly account statements can also be sent via postal mail.

How are payments from RHS accounts treated for tax purposes?

Withdrawals from the RHS account to pay for eligible medical expenses (claims) are income tax free, as are contributions from the employer and earnings. (Claims payments and interest earned are excluded from a participant's gross income.)

Money goes in income tax free, is invested income tax free, and comes out income tax free. As an example, a participant could save up to \$300 or more in taxes for every \$1,000 contributed by the employer to the RHS plan. (Tax savings are approximate and vary by individual.)

Investments are not FDIC Insured, are not bank issued or guaranteed by Optum Financial or its subsidiaries, and are subject to risk including fluctuations in value and the possible principle amount invested.



Retirement Health Savings Plans (RHSs) are administered on behalf of your plan sponsor by ConnectYourCare, LLC, a subsidiary of Optum Financial, Inc., ("Optum Financial") and Prudential. Benefit Plans Administrative Services (BPAS) is the Custodian of your RHS. RHSs are subject to eligibility and restrictions. This communication is not intended as legal or tax advice. Federal and state laws and regulations and the design of your plan are subject to change.