

Oakland County Retirement Health Savings plan

General employees

Welcome to your new account

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

RHS 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 and vested, you can use the account for many eligible health care 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 \$75 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 on your account balance and manage your investment allocations by using your Empower login at empower.com/oaklandcounty and clicking on your Oakland County Retiree Health Savings Plan. Separated employees with a vested balance become claims active. At this point, you'll receive a payment card from Optum Financial and may begin using your funds for eligible health care 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%
8 yrs.	80%
9 yrs.	90%
10 yrs.+	100%

Total vs. available balance

Once separated, your account is active. The total balance is the total amount of RHS contributions and earnings to date. Due to market fluctuations which impact available funds in active accounts on a daily basis, the available balance for use is 10% less than the total balance of the account.

To access the account's total balance, you must submit a manual claim. How to submit a manual claim: Log into the portal, click on Reimburse Myself, and then follow the prompts.

How is my money invested?

You'll be automatically invested in your RHS plan default fund, which is a target-date fund. Target-date funds use a collective investment strategy 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 not actively managed.

Your RHS plan offers a wide selection of investments to choose from that align with your risk preference. To change your investment allocations from a target-date fund, log in to your Empower account via **empower.com/oaklandcounty**, then click on your Oakland County Retiree Health Savings Plan. Once on the website, click VEBA HRA Investments' under the I want to ... menu.

Support information

You can receive customer support by:

- Toll-free number: **1-844-286-8472**, which provides participant service representatives 24/7.
- Visiting **empower.com/oaklandcounty**. 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 management

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

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

Eligible health care expenses	When your account is active, you'll be able to use it for hundreds of eligible health care 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: • Ambulance fees and hospital services • Dental treatments • Eye examinations and contact lenses • Nursing services • Insulin and diabetic supplies
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 is notified by the surviving spouse/dependent of the account holder's death, funds can then be transferred into their name. The beneficiary will receive a payment card from Optum Financial and may begin using transferred funds for eligible health care 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,¹ regulatory notices and/or trade confirmations

1. 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 health care expenses (claims) are income tax-free, as are contributions from the employer and earnings. Please note: 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.²

2. Assuming a 30% combined tax rate from all applicable federal, state and FICA taxes. Results and amount will vary depending on your circumstances.

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 Empower. 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.

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