



VEBA

Voluntary Employee Benefit Association

Brought to you by the **IPLSA Benefit Association**

WHAT IS IT?

The **VEBA** sponsored by the IPLSA Benefit Association is benefit offered to you by your employer as a simple way for you to save money on your Health Care and Dependent Day Care expenses.

HOW DOES IT WORK?

At the beginning of each plan year, you will be asked to elect an amount of money to contribute to your **VEBA**. That money is then withheld directly from your paycheck and put into an account so you can use it to pay for Health Care and Dependent Day Care expenses.

HOW DOES IT SAVE ME MONEY?

Amounts contributed to your **VEBA Account** are withheld from your paycheck before taxes are figured. This decreases your taxable income, and therefore increases your net income for the year.

Here is an example of how this works:

	Without VEBA	With VEBA
Annual Gross Pay	\$50,000.00	\$50,000.00
-VEBA Contributions		
Health Care	\$0.00	\$2,700.00
Dependent Care	\$0.00	\$5,000.00
Taxable Income (after exemption)	\$37,800.00	\$30,100.00
-Federal Income Tax	\$4,342.00	\$3,418.00
-State Income Tax	\$2,369.81	\$1,988.66
-Social Security	\$3,100.00	\$2,622.60
-Medicare Tax	\$725.00	\$613.35
Take-home Pay	\$39,463.19	\$33,657.39
+Tax-free Reimbursements	\$0.00	\$7,700.00
Net Spendable Income	\$39,463.19	\$41,357.39
<u>Savings</u>	\$0.00	<u>\$1,894.20</u>

HOW DO I USE THE MONEY?

When you make your election at the beginning of the plan year, you will decide whether the money goes into your **MEDICAL REIMBURSEMENT ACCOUNT** or your **DEPENDENT DAY CARE REIMBURSEMENT ACCOUNT**. There are different rules depending on which plan(s) you elect.

MEDICAL REIMBURSEMENT ACCOUNT

Maximum Annual Contributions	Eligible Expenses	Accessing the MEDICAL REIMBURSEMENT Funds
<ul style="list-style-type: none">◆ \$2,700.00 for 2019 plan year◆ Unused portion rolls over from year to year.	<ul style="list-style-type: none">◆ Deductibles, co-pays and coinsurance.◆ Prescription drugs and medical supplies◆ Dental and orthodontic services◆ Eyeglasses, contacts, contact solution and other supplies◆ First Aid supplies◆ Over-the-counter medication (with Physician's prescription)	<ul style="list-style-type: none">◆ To access your funds, you will submit a claim to us for reimbursement. To do this, you would complete a claim form and submit to us along with receipts or bills showing the date of service and amount owed. These claims can be submitted by email, fax, or regular mail.

DEPENDENT DAY CARE REIMBURSEMENT ACCOUNT

Maximum Annual Contributions	Eligible Expenses	Accessing the DAY CARE REIMBURSEMENT Funds
<ul style="list-style-type: none">◆ \$5,000 if you are married filing a joint return or are head of a household◆ \$2,500 if you are married filing separate returns	<ul style="list-style-type: none">◆ Daycare expenses for dependent children (and sometimes adults) necessary for you to go to work.◆ Education expenses are NOT eligible (e.g. Kindergarten, unless there is a daycare portion of the fee that can be separated out).	<ul style="list-style-type: none">◆ A Daycare claim form should be submitted when you first enroll, and periodically after that (such as when you make a change or when you start a new plan year).◆ We will reimburse you each pay period for the amount withheld that period for these expenses, as long as we have a claim form on file.

WHAT IF I HAVE MORE QUESTIONS?

Please contact the **IPLSA Benefit Association** by emailing cafe@asi-tpa.com or by calling 217-498-8450.