



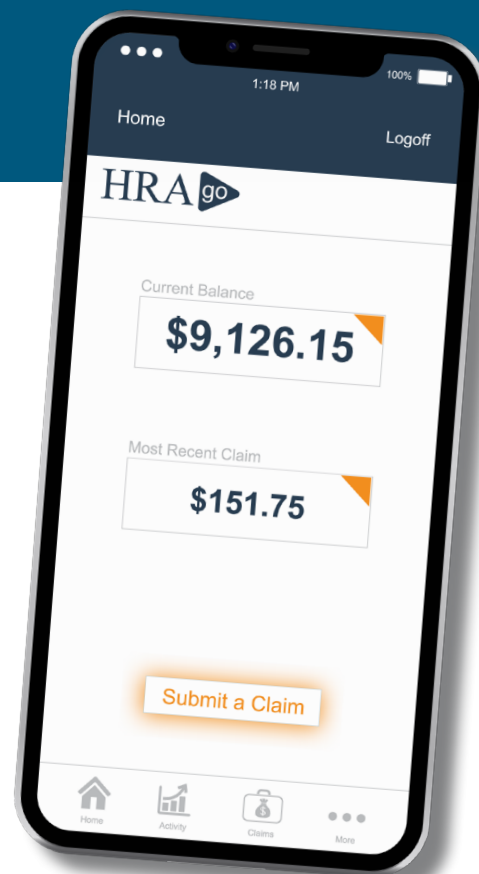
Save up Tax-free Money for Medical Bills

A funded health reimbursement arrangement



- Copays
- Deductibles
- Prescriptions
- Dental
- Vision
- Orthodontia
- Chiropractic
- Medicare premiums
- Retiree medical premiums

...and hundreds more





Health Reimbursement Arrangement

A health reimbursement arrangement (HRA) is a **tax-free savings account** for health care. This valuable employee benefit is funded with contributions from your employer. It's easy to use, and it's a smart way to save up for future out-of-pocket **medical, dental, and vision bills**, including **retiree insurance premiums**.

Most HRAs allow you to submit claims and begin using your funds after you separate from service or retire (vesting may apply). These are "**post-separation**" HRAs. HRAs that allow you to submit claims while you're still working are "**in-service**" HRAs. In-service HRAs are much less common.

Once claims eligible, your HRA covers you, your spouse, and dependents, including your young adult children through the end of the calendar year in which they turn age 26.

The Indiana HRA Plan is a health plan, but it is not insurance, and you do not pay a premium.



How It Helps

The Indiana HRA Plan helps put you in control of your healthcare expenses. Many participants use their HRAs during retirement to reimburse **retiree insurance premiums** and the cost of medical items and services they might not be able to afford otherwise. This includes things like **power chairs, hearing aids, expensive vision and dental care, and emergency medical bills**.

If you have an "in-service" HRA, you can save it up for retirement or use it now to help cover the cost of current expenses, such as **doctor visits, prescriptions, new glasses or contacts, and braces for your kids**.

How It Works

1. Your employer **sends tax-free money** to your HRA¹. Often, these funds would have otherwise been paid to you as taxable income. In other words, you're exchanging taxable income for tax-free money in your HRA—a much better deal! Your employer might also contribute funds in place of some other tax-free employee benefit.
2. You choose how you want to **invest your HRA funds** using the available fund lineup.
3. You can use your HRA funds after you **separate from service or retire**². As mentioned earlier, some HRAs can also be used during employment, but this is rare.

HRA eligibility and funding are usually subject to collective bargaining or employer policy. Check with your employer if you need to know more about your group's participation.

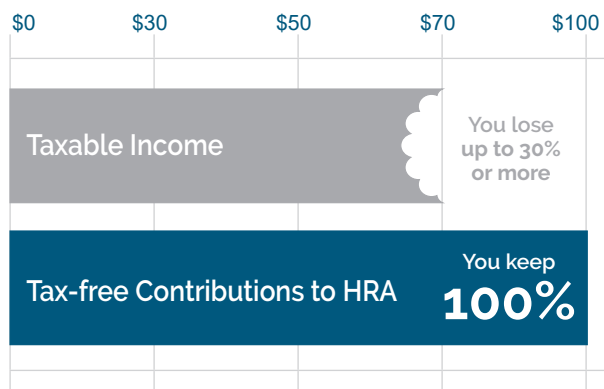
Best Tax Advantage

With an HRA, you get the **best possible tax advantage**—*even better than tax-deferred 457, 403(b), and 401(k) plans with taxable withdrawals.*

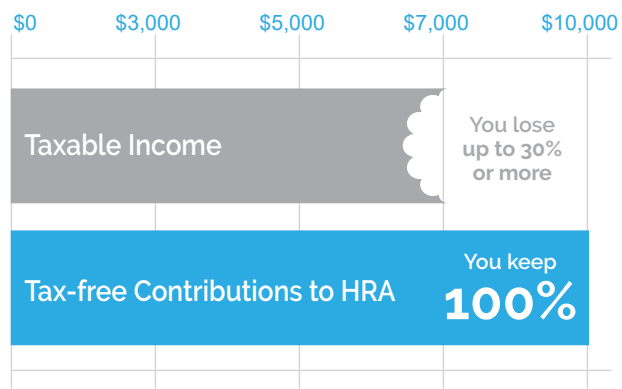
- No taxes on **employer contributions**;
- No taxes on **investment earnings** (if any); and
- No taxes on **claim reimbursements** (withdrawals).

This is sometimes called "triple" tax savings. You might save up to 30% or more, depending on your individual tax situation. With no tax bite, you get to keep a lot more for yourself! Tax savings includes state income tax, federal income tax, and FICA taxes (Social Security and Medicare).

\$100 Monthly Contribution Example



\$10,000 Lump-sum Contribution Example



¹ Your HRA funds may be held in a voluntary employees' beneficiary association (VEBA) trust, IRC Section 115 trust, or a combination of both, depending on your HRA plan design. VEBAs are authorized under IRC Section 501(c)(9). The term "VEBA" is sometimes used when referring to health plans that reimburse out-of-pocket medical care expenses and premiums. These plans are actually HRAs, as defined by the IRS. ² Many HRAs are subject to vesting, post-separation claims eligibility only, or other limitations depending on your employer's plan design or any limited HRA coverage elections you may make.



Investment Options

You get to choose from a menu of available investment funds, kind of like your deferred compensation or similar retirement plan. Changes are allowed once per calendar month.

You can get more information online, including our quarterly **Investment Fund Overview** and links to fund fact sheets and prospectuses. You should consult with a financial advisor and carefully read the fund fact sheets and prospectuses before making investment decisions.



HRA Advantages

HRAs have several advantages compared to **health savings accounts (HSAs)** and **flexible spending accounts (FSAs)**.

1. Your HRA **does not require coverage under a high-deductible health plan (HDHP)**. You can enroll in the medical plan of your choice.
2. Your HRA **covers retiree medical premiums before and after age 65**, including Medicare Part B, Part D, and supplement premiums.
3. There are **no annual use-or-lose or carryover limits** to worry about. All unused HRA funds roll over from year to year.
4. There are **no IRS contribution limits**. Contributions are usually determined by collective bargaining or employer policy.





Medical Care Expenses

Qualified "medical care" expenses and premiums are defined in Section 213(d) of the Internal Revenue Code. Several common examples are listed below. There are hundreds more.

Expenses

Copays	Laser eye surgery
Deductibles	Eye glasses
Prescriptions	Contacts
Preventative care	Hearing aids
Chiropractic	Physical therapy
Dental care	CPAP machines
Orthodontia	Insulin
Vision exams	Emergency services

Premiums

Retiree medical, dental, vision
Qualified long-term care (subject to IRS limits)
Medicare Part B
Medicare Part D
Medicare supplement plans
TRICARE medical and dental

For a more detailed list, log in at [IndianaHRA.com](https://indianahra.com) and click **Resources**.

Survivor Benefit

If you pass away, your vested HRA balance can transfer to your surviving spouse and dependents who may continue using your HRA until it is exhausted.

In the unlikely event you pass away with no eligible survivors, the executor or other representative of your estate can spend down your account by filing claims for any unreimbursed medical care expenses you may have incurred prior to your death. Remaining fund, if any, after all final claims have been reimbursed would then be forfeited and re-contributed per the terms of the Indiana HRA Plan document or otherwise applied as directed by your employer. IRS Revenue Ruling 2006-36 does not permit the payment of benefits to non-dependent heirs.





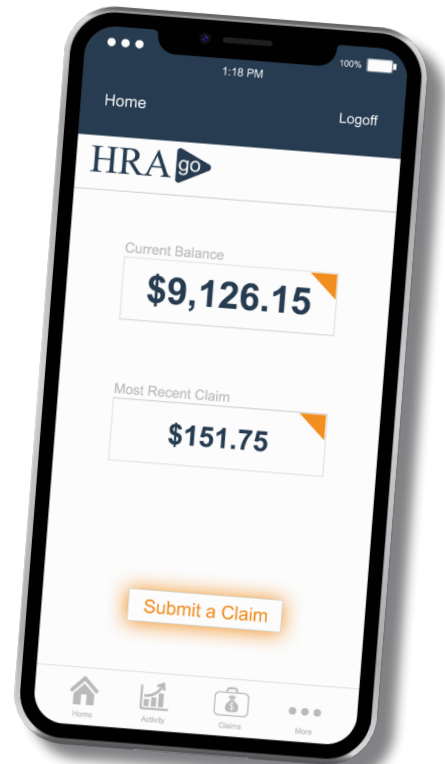
Using Your HRA

Managing and using your HRA is now easier than ever! We provide an effortless online experience and several convenient services.

- Handy mobile app, **HRAgo®**
- Easy **online and mobile** claims submission
- Convenient **direct deposit** for claim reimbursements
- Automatic **premium reimbursements** for retirees
- Secure quarterly **e-statements**

Ready to file a claim? Log in online and click **Claims**, or do it "on the go" with our mobile app, **HRAgo**. With HRAgo, you can quickly snap pics of supporting documentation and submit claims right from your mobile device. We'll process your claim in about five to seven business days.

Are you a retiree? We can automatically reimburse your monthly insurance premiums, including Medicare premiums. Just log in online, click Claims, and then click the **Set up an Automatic Premium Reimbursement** button.



“ I like being able to take pictures of documents with my phone and send them to you when I make a claim. ”



Personalized Customer Care

We work hard to provide you with top-notch service. If you get stuck or have a question, our friendly customer care team is ready to help Monday through Friday from 9:00 a.m. to 8:00 p.m. Eastern Time. Just call **1-888-711-9182**. Live representatives answer 98% of all phone calls **within 30 seconds**. You don't have to put up with annoying phone trees that get you nowhere. We're here to take good care of you and your family!

“ I never have to wait very long, and the people are knowledgeable as well as courteous. I love talking to a human! ”

More Information IndianaHRA.com
Ask Questions 1-888-711-9182



Fees

Your HRA is a group health plan. Plan administrative expenses include claims processing, customer service, account administration, printing, postage, legal, consulting, local servicing, auditing, etc. The fees charged to participant accounts to cover these costs vary from employer to employer and generally range from \$0 to \$20 per year per participant account (prorated and deducted monthly), plus an annualized asset-based fee of 0.38% to 1.00%. Your account value changes daily based on activity, which includes investment earnings or losses, contribution and claims activity, if any, and assessment of the asset-based fee.

To the extent permitted or required by law, certain fees, assessments, or other amounts payable to the federal government may also be deducted from your account. Fund operating expenses vary by fund. These fees, along with historical fund performance, can be found on our quarterly **Investment Fund Overview** available online at **IndianaHRA.com**.



Customer Care Center

1-888-711-9182

www.IndianaHRA.com



Download our mobile app, HRAgo®, today!



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