

PEHP® Fact Sheet

Type of Plan	<ul style="list-style-type: none">• Employee benefit plan• Internal Revenue Code Section 501(c)(9)• Tax exempt trust
Assets Held Tax Advantages	<ul style="list-style-type: none">• Employer pays no FICA taxes on plan contributions.• Employee pays no FICA or federal income taxes on:<ul style="list-style-type: none">- Contributions- Investment Earnings- Benefits paid from the plan
Plan Contributions	<ul style="list-style-type: none">• Employer contributions only
Plan Benefits	<ul style="list-style-type: none">• Accumulation and reimbursements of tax-free monies for qualified post employment medical expenses as defined by the Internal Revenue Code Section 213 (d). Examples include:<ul style="list-style-type: none">- Health insurance premiums- Medicare Part-B premiums- Medicare supplemental insurance premiums- Qualified long-term care premiums- Out-of-pocket qualified medical expenses such as prescription drugs, eye glasses doctor co-pays, etc.
Benefit Flexibility	<ul style="list-style-type: none">• Upon the employee separating from service or retiring, requests may be made for the reimbursement of qualified medical expenses and/or medical insurance premiums.
Funding Options	<ul style="list-style-type: none">• Insurance Premium Reimbursement Account<ul style="list-style-type: none">- Can be funded solely with accrued sick and/or vacation leave.- May also be funded ongoing with a percentage of salary for each employee. Minimum annual ongoing contribution is 1/2 of 1% of salary per employee.- Reimbursements may <i>only</i> be used for <i>qualified health insurance premium</i> expenses. Examples include: health insurance premiums, dental premiums, Medicare Part-B premiums and Medicare supplements.• Universal Reimbursement Account<ul style="list-style-type: none">- Funded ongoing with equal dollar contributions per employee.- Minimum annual ongoing contribution is \$120 per employee.- Reimbursements may be made for <i>any</i> qualified out-of-pocket medical expense. Examples include: health insurance premiums, prescription drugs, eye glasses, hearing aids and doctor co-pays.
Investment Options	<ul style="list-style-type: none">• There are nine investment options available for employees.
Plan Fees	Employer - No fee Employee - \$30 annual administrative fee 0.50% asset fee Note: No charge for claims reimbursements
Death of Participant	Money is immediately made available to the surviving spouse and/or qualified dependents (as defined by IRC 152(a)) to use for health care expenses. If no surviving spouse or qualified dependents remain to request reimbursement, the account balance is reallocated to the accounts of the remaining members of the immediate employee group for their qualified medical expenses.

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Note: Separate trusts available for collectively-bargained employee groups and non-collectively bargained employee groups.

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