

## Retiree Medical Account for Member-Directed Plan Participants

A Retiree Medical Account is an account you can use to pay for qualified health care expenses you incur after you have terminated OPERS-covered employment. The RMA is not a comprehensive health care insurance plan. If you participate in the OPERS Member-Directed Plan, you automatically have contributions made to an RMA. The RMA may be one of several ways you prepare for health care expenses in retirement, or it could be your primary method of paying for those expenses.

Please refer to the Member-Directed Retiree Medical Account document at [opers.org](https://opers.org) for specific information about the operation and administration of the RMA. The document can be found on the Legal Division page under the OPERS Policy section on the home page of [opers.org](https://opers.org).

### RMA Basics

#### How is my RMA funded?

A portion of the contributions made by your employer is credited to your retiree medical account. The amount credited equals 4 percent of your earnable salary.

Your RMA is managed by OPERS and the interest rate is tied to the actual investment performance of the Invesco Stable Value Trust. If the investment return is positive, interest will be applied in the same amount as the return but will not exceed 4 percent. If the investment return is negative, zero interest will be applied.

Contribution rates and interest rates are subject to change based on a recommendation by the OPERS Board of Trustees. Your distributions from the RMA are not subject to federal income taxes because it is an account used to pay for qualified health care expenses not otherwise covered by insurance plans.

#### What is the vesting schedule for the RMA?

The amount in your RMA that you are entitled to use toward qualified health care expenses is based on your years of participation in the Member-Directed Plan and your date of hire or plan change effective date (see charts).

*For those OPERS members employed with an OPERS employer prior to Jan. 1, 2003:* If you have made a plan change from the Traditional Plan to the Member-Directed Plan and elected to transfer your accumulated contributions, the transferred service counts toward your years of participation in the Member-Directed Plan.

#### What are qualified health care expenses?

Qualified health care expenses include medical, prescription, dental and vision expenses such as premiums, deductibles, copays and other out-of-pocket expenses. Refer to the IRS 502 Publication "Medical and Dental Expenses" found at [irs.gov](https://irs.gov) for additional information.

#### Hired prior to July 1, 2015

| Years of Participation in the Member-Directed Plan | Percentage vested |
|--|-------------------|
| 0  | 0%                |
| 1  | 20%               |
| 2  | 40%               |
| 3  | 60%               |
| 4  | 80%               |
| 5  | 100%              |

#### Hired on or after July 1, 2015

| Years of Participation in the Member-Directed Plan | Percentage vested |
|--|-------------------|
| 0-5  | 0%                |
| 6  | 10%               |
| 7  | 20%               |
| 8  | 30%               |
| 9  | 40%               |
| 10   | 50%               |
| 11   | 60%               |
| 12   | 70%               |
| 13   | 80%               |
| 14   | 90%               |
| 15   | 100%              |

# Understanding your RMA

## How will I keep track of my account?

OPERS has partnered with Inspira Financial to provide administrative services for the RMA.

- *While you are actively employed with an OPERS-covered employer, you will receive a semi-annual statement of your account each January and July.*
- *Once you are eligible for reimbursements from your RMA, you will receive quarterly statements. In addition, you will receive an Explanation of Payment in any month you receive a reimbursement.*
- *Once you become claim eligible, you will see a \$2.50 administrative fee deducted from your account on a monthly basis. Please note that this fee will be deducted regardless of whether you receive a reimbursement or not.*

## When can I use the funds in my RMA?

The funds can be used for qualified health care expenses only when you terminate OPERS-covered employment and receive a distribution from your Member-Directed Plan account. Qualified expenses incurred on or after the date of termination, retirement or death are eligible for reimbursement.

- *When you leave OPERS-covered employment without taking a distribution from your Member-Directed Plan account or if you retire from an OPERS-covered position, the amount in your RMA remains and continues to accumulate interest as mentioned above, although no new contributions will be made to the account. If you return to OPERS-covered employment and resume contributing to the Member-Directed Plan, contributions to your RMA will resume and your years of participation will begin where you left off.*
- *If you leave OPERS-covered employment and take a distribution from your Member-Directed Plan account or if you retire from an OPERS-covered position, you may begin using your RMA for qualified health care expenses or you may leave your RMA balance intact.*

## What happens to the funds in my RMA if I return to OPERS-covered employment?

If you leave and then later return to OPERS-covered employment, you are entitled to make a new retirement plan selection. If you choose the Member-Directed Plan, contributions will be deposited into a new RMA, vesting will start over at zero percent, and those funds cannot be combined with any other RMA. Additionally, your original RMA is frozen and you cannot submit health care expenses until you terminate employment.

## How will my RMA be impacted if I make a plan change?

If you decide to make a plan change to the Traditional Pension Plan or the Combined Plan and elect to purchase service in your new plan representing your years of participation in the Member-Directed Plan, you will forfeit your rights to the available balance within your RMA. However, in exchange for what you give up in your RMA, the service credit purchased in the new plan would count toward your eligibility for any applicable OPERS health care coverage in your new plan. If you do not elect to purchase service credit in the new plan, you will be eligible to submit claims against the vested portion of your RMA when you terminate OPERS-covered employment and receive a distribution from your Member-Directed Plan account.

## Using your RMA

### How do I file a claim?

Claims can be submitted for qualified medical expenses listed in the IRS 502 Publication. Inspira Financial provides claim forms or you can download the form at [opers.org](http://opers.org). Once Inspira Financial receives the claim form and your supporting documentation, Inspira Financial will reimburse your expenses from the available balance within your RMA.

OPERS requires that – for your protection – you receive your RMA claims reimbursements directly into your bank account. A Direct Deposit Authorization form can be downloaded from [opers.org](http://opers.org).

If you have questions about an RMA claim, call Inspira Financial toll-free at 1-888-672-9136.

### Can I cover my dependents' health care expenses with my RMA funds?

You may use your RMA to pay health care expenses for your qualified dependents. Qualified dependents include your spouse, children under the age of 26 (biological or legally adopted), and grandchildren for whom you have been ordered to provide coverage. If you pass away, your qualified dependents may use the remaining vested portion of your RMA for the payment of qualified health care expenses.

## Who do I call?

| Participant Status   | Who to Contact   |
|--|--|
| Actively employed with an OPERS-covered employer<br><b>OR</b><br>Left OPERS-covered employment but have not taken a distribution | <b>OPERS</b> 1-800-222-7377<br>Monday to Friday<br>8 a.m. to 4:30 p.m. (EDT)<br><a href="http://opers.org">opers.org</a>                                   |
| Left OPERS-covered employment, have taken a distribution and wish to start receiving reimbursements                              | <b>Inspira Financial</b><br>1-888-672-9136<br>Monday to Friday<br>8 a.m. to 8 p.m. (EDT)<br><a href="http://inspirafinancial.com">inspirafinancial.com</a> |