

**PENNSYLVANIA SOCIAL SERVICES UNION LOCAL UNIT  
HEALTH AND WELFARE FUND**

**BUCKS COUNTY  
RETIREE HEALTH REIMBURSEMENT ARRANGEMENT  
SUMMARY**

Revised: September 2020

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## **INTRODUCTION**

The Board of Trustees of the Pennsylvania Social Services Union Local Unit Health and Welfare Fund (the "PSSU Fund") is pleased to provide the Bucks County Retiree Health Reimbursement Arrangement (the "Plan"). The Plan is a welfare benefit plan that provides certain health benefits for eligible Retired Employees and their Spouses and Dependents. The Plan is effective July 1, 2009.

The Plan was established and is maintained as a result of collective bargaining between the Pennsylvania Social Services Union, Local 668, affiliated with Service Employees International Union (the "Union") and Bucks County. Bucks County has agreed to make contributions to the PSSU Fund to provide the health benefits under this Plan. The Plan is funded solely by contributions from Bucks County.

This Summary describes the Plan in an easy to read "Question and Answer" format. The Board of Trustees hopes this Summary will answer any questions that you may have about the Plan. You should read this Summary carefully; it provides a description of the Plan's eligibility rules, the benefits available under the Plan, and the Plan's operations.

Please attach this Summary to the back of the PSSU Fund Summary Plan Description (SPD) and keep it with your other important papers so that you can refer to it when you have questions. You also should feel free to contact the PSSU Fund Office in writing or by telephone if you have any questions about the Plan:

PSSU Local Unit Health & Welfare Fund  
2589 Interstate Drive  
Harrisburg, PA 17110-9602  
888-243-1524

Please note that as with all benefits provided by the PSSU Fund, the Board of Trustees of the PSSU Fund reserves the right to amend, modify, or terminate the Plan at any time and for any reason, in accordance with governing law.

## **QUESTIONS AND ANSWERS**

### **1. What is the Retiree Health Reimbursement Arrangement?**

The Plan is a special health plan for eligible Retired Employees to assist in paying for otherwise unreimbursed medical expenses for the Retired Employee and the Retired Employee's Spouse and Dependents. An eligible Retired Employee can receive reimbursements under the Plan for these medical expenses for himself, his Spouse and his Dependents, up to a specified dollar amount per month (the "Monthly Benefit Amount").

**2. Who makes contributions to (pays for the benefits under) the Plan?**

Bucks County will make contributions to the PSSU Fund, as provided in the collective bargaining agreement with the Union, for the purpose of providing the benefits under this Plan. The Retired Employees shall not make any contributions to the Plan for this benefit.

**3. Who is eligible for benefits under the Plan?**

A Retired Employee who satisfies either (A) or (B) below will be eligible to participate in this Plan. For purposes of this Plan, a “Retired Employee” means an individual who separates from employment with Bucks County on account of retirement on or after January 1, 2007 and who was a member of the collective bargaining unit represented by the Union at the time of retirement.

A. The Retired Employee must meet all of the following requirements:

- Be at least age 55 at the time of separation from employment with Bucks County on account of retirement.  
and
- Have at least twenty (20) “years of credited service” with Bucks County. “Years of credited service” will have the meaning set forth in the Bucks County Employees Retirement System.  
and
- Have been a member of a collective bargaining unit represented by the Union during the fifteen (15) “years of credited service” ending immediately prior to his or her retirement from employment with Bucks County.

**OR**

B. The Retired Employee must meet all of the following requirements:

- Be at least age 60 at the time of separation from employment with Bucks County on account of retirement.  
and
- Have at least ten (10) “years of credited service” with Bucks County.  
and
- Have been a member of the collective bargaining unit represented by the Union during the ten (10) “years of credited service” ending

immediately prior to his or her retirement from employment with Bucks County.

For purposes of the above eligibility rules, the Board of Trustees shall have the discretion to determine whether an individual who fails to meet the above eligibility requirements due to extraordinary circumstances may nevertheless be eligible for benefits. All such determinations by the Board of Trustees shall be made in a non-discriminatory manner and consistent with applicable laws.

#### **4. When will a Retired Employee's participation in the Plan begin?**

An eligible Retired Employee may begin participation in this Plan on the first day of the calendar month next following his separation from service on account of retirement or, if later, on the effective date of the Plan.

If you are eligible for Medicare and you are not covered under your Spouse's group health plan or any other group health plan which is available to you on account of your active employment, you will not be eligible to begin, or to continue, your participation in the Plan unless you enroll in both Medicare Part A and Medicare Part B. If you are not yet eligible for Medicare, you must enroll in coverage under your Spouse's group health plan, if such coverage is available to you, or any other group health plan which is available to you on account of your active employment.

#### **5. When will a Retired Employee's participation in the Plan end?**

A Retired Employee will be eligible to participate in the Plan for up to one hundred twenty (120) calendar months. A Retired Employee will cease to participate in the Plan upon the first to occur of the following:

- death of the Retired Employee; or
- one hundred twenty (120) calendar months of participation in the Plan.

A Retired Employee will also cease to participate in the Plan in the event that the Trustees decide to terminate the Plan or if Bucks County ceases making contributions to the PSSU Fund on account of this Plan.

Any medical expenses incurred by the eligible Retired Employee or by his or her Spouse or Dependents through the end of the month in which the Retired Employee's participation in the Plan ceases may be submitted for reimbursement under the Plan.

If a Retired Employee loses eligibility for benefits under the Bucks County Employees Retirement System, his participation in this Plan will be suspended until his eligibility

recommences under that Retirement System. Upon recommencement of eligibility for benefits under the Bucks County Employees Retirement System, the Retired Employee's suspension of participation in this Plan shall end, and he shall again be entitled to benefits hereunder for the remaining number of months as described below, provided that he is a member of the collective bargaining unit represented by the Union at the time of his recommencement of participation in this Plan. In addition, if a participating Retired Employee becomes eligible for Medicare but fails to enroll in Medicare Part A and Part B (and is not covered under his Spouse's group health plan or any other group health plan which is available to him on account of his active employment), his participation in this Plan will be suspended until he enrolls in Medicare. Upon recommencement of participation in this Plan, the Retired Employee will be eligible to participate in the Plan for up to 120 months, less the number of months in which he previously participated in the Plan before the suspension of his eligibility for any of the reasons described above in this paragraph.

## **6. What benefits are available under the Plan?**

The Plan will reimburse each eligible Retired Employee for the medical expenses of the Retired Employee, and of the Retired Employee's Spouse and Dependents, up to the Monthly Benefit Amount.

Medical expenses include the following:

### **A. Health Care Expense Reimbursements**

A Retired Employee may be reimbursed under the Plan for medically necessary health care expenses for the Retired Employee and for his or her Spouse and Dependents, which are not covered by or reimbursable under other insurance (including Medicare).

Only expenses incurred on or after the date the Retired Employee's participation begins will be reimbursed.

For purposes of the Plan, medically necessary health care expenses means amounts paid for "medical care" as defined in section 213(d) of the Internal Revenue Code. Effective on and after January 1, 2011, medically necessary health care expenses shall not include a medicine or drug unless it (a) requires a prescription; (b) is available without a prescription (an over-the-counter medicine or drug) and the individual obtained a prescription; or (c) is insulin. Notwithstanding the foregoing, the Plan will not reimburse any expenses paid for long-term care services. You should consult your tax professional about amounts received under the Plan.

The Retired Employee must submit to the PSSU Fund Office (1) the receipts for the health care expenses and (2) a certification that no other insurance covers the expenses and no deduction has previously been taken under section 213 of the Internal Revenue Code for these expenses. Upon receipt and, where appropriate, verification of the expense and the lack of coverage from other insurance, the PSSU Fund will reimburse the Retired Employee for the amount of the expense.

The Trustees reserve the right, in consultation with medical advisors, to deny payment of benefits if the health care service for which reimbursement is sought is not medically necessary. In making medical necessity determinations, the Trustees, in consultation with their medical advisors, will look to what is commonly and customarily considered appropriate health care treatment in the United States.

**B. Deductibles, Co-Payments, After-Tax Coinsurance Premiums.**

A Retired Employee also may apply in writing, with a receipt or other reasonable written substantiation, for reimbursement under the Plan for deductibles, co-payments, and/or after-tax coinsurance amounts paid by the Retired Employee as part of coverage under other health insurance for the Retired Employee, Spouse or Dependents.

**C. Health Care Premium Reimbursements.**

The Retired Employee may request in writing that the Fund provide reimbursement, up to the monthly maximum, for premiums paid for other health insurance purchased by the Retired Employee on an after-tax basis (including individual coverage (purchased either inside or outside of the Health Insurance Marketplace), group health coverage for the Retired Employee on account of his active employment, Medicare Part B, continuation coverage under COBRA or similar statute, and the Retired Employee's coverage (the incremental premium) under a Spouse's group health plan).

**7. What is the Monthly Benefit Amount?**

The Monthly Benefit Amount is the amount available to an eligible Retired Employee each month for reimbursement of medical expenses incurred by him and his Spouse and Dependents in that month. The Monthly Benefit Amount will be determined in the sole and absolute discretion of the Board of Trustees of the PSSU Fund. The Monthly Benefit Amount available under this Plan will be reviewed by the Board of Trustees on at least a quarterly basis. Any change to the Monthly Benefit Amount will be applied to future months only and will be communicated to the eligible Retired Employees in

writing at least thirty (30) days in advance of any such change. The Monthly Benefit Amounts for eligible Retired Employees will be identified in the Addendum to this Summary, as updated from time to time.

**8. Can an unused portion of the Monthly Benefit Amount be carried forward?**

The Monthly Benefit Amount for each month can be used to reimburse you only for expenses incurred in that month. You may NOT carry over from month to month, or from year to year, any unused portion of the Monthly Benefit Amount. If the medical expenses that you incur in a month are *less than* the Monthly Benefit Amount, you will forfeit the remainder of that Monthly Benefit Amount and the balance (the unused portion) cannot be used to reimburse you for medical expenses incurred in a later month in that Plan Year. If the medical expenses that you incur in a month are *greater than* the applicable Monthly Benefit Amount, you will be reimbursed for these expenses only up to the Monthly Benefit Amount.

The Monthly Benefit Amount CANNOT be used to reimburse the Retired Employee for any medical expenses incurred prior to his participation in the Plan.

For purposes of this Plan, the word “incur” means the date of service or purchase or the month to which a premium relates.

These rules are illustrated by the following examples:

EXAMPLE 1: Assume that the Monthly Benefit Amount for the Retired Employee is \$1,000 for each month in a Plan Year. The Retired Employee and his Spouse and Dependents incur various medical expenses that qualify for reimbursement under the Plan as follows: \$600 in January and \$2,000 in December (but no expenses in any other month in that year). The Retired Employee will be reimbursed \$1,600 for that Plan Year (\$600 for expenses incurred in January and \$1,000 for expenses incurred in December. The remaining \$400 of the Monthly Benefit Amount for January, and the \$1,000 Monthly Benefit Amount for each month from February through November, will be forfeited and cannot be used for reimbursement of medical expenses incurred in a later month or later year.

EXAMPLE 2: Assume again that the Monthly Benefit Amount for the Retired Employee is \$1,000 for each month in a Plan Year. The Retired Employee and his Spouse and Dependents incur medical expenses in that year as follows: \$1,200 in each month in the Plan Year. The Retired Employee will be reimbursed \$12,000 for that Plan Year (\$1,000 for expenses incurred in each month in the year).

EXAMPLE 3: Assume again that the Monthly Benefit Amount for the Retired Employee is \$1000 for each month in a Plan Year. The Retired Employee and his Spouse and Dependents incur medical expenses in that year as follows: \$12,000 in January, but no



expenses in any other month in the Plan Year. The Retired Employee will be reimbursed \$1,000 for that Plan Year for expenses incurred in January. The Monthly Benefit Amount for each other month in that year will be forfeited because no expenses were incurred in any other month of that Plan Year.

**Note: The above amounts are only by way of example. You should refer to the most recent Addendum to this Summary for the current Monthly Benefit Amount under the Plan.**

#### **9. How should the Retired Employees apply for benefits under the Plan?**

Claims for reimbursement of medical expenses under the Plan must be submitted to the PSSU Fund Office in a timely manner on a claim form (the Claim and Verification Form), which is available at the PSSU Fund Office or on the PSSU Fund website at [www.pssuhwfund.org](http://www.pssuhwfund.org). Claims should not be submitted more than once per month. Claims must be submitted by March 31<sup>st</sup> each year in order to receive reimbursement of expenses incurred in any month during the preceding Plan Year.

For example, for medical expenses incurred in any month in 2009, the Retired Employee will have until March 31, 2010 to submit bills to the Plan for reimbursement of those medical expenses. Of course, expenses may be submitted any time after treatment, but not after the March 31<sup>st</sup> deadline for expenses for any month in the preceding Plan Year. (If March 31<sup>st</sup> falls on a weekend or union holiday, the deadline is extended to the first business day following the holiday.)

In addition to the Claim and Verification Form, the Retired Employee must submit receipts, medical bills, insurance records, and any other necessary documentation as requested by the PSSU Fund to support each claim. Each claim must clearly indicate the date on which the medical expense was incurred. For a medicine or drug, the Retired Employee must submit either a copy of the prescription along with the receipt showing the date of the sale and the amount of the charge, *or* a receipt from the pharmacy that identifies the name of the purchaser (or the name of the person for whom the prescription applies), the date and amount of the purchase and an Rx number. The Retired Employee must certify that the expenses are not covered by or reimbursable under any other insurance or medical plan and that he did not take any deduction for these expenses under section 213 of the Internal Revenue Code.

#### **10. Who administers the Plan and how are expenses of the Plan paid?**

The Board of Trustees of the PSSU Fund administers the Fund and all of the benefits it provides. It is the Trustees' responsibility, in consultation with the various professional advisors they may hire (attorneys, record keepers, third-party administrators, accountants and other consultants, etc.), to ensure that the Plan is operated in the best interests of the participants and beneficiaries.

Plan expenses will be paid solely from contributions (and earnings thereon) made to the PSSU Fund by Bucks County for this Plan.

**11. How should the Retired Employee appeal the denial of a claim?**

If any Retired Employee wishes to appeal any determination regarding any rights or benefits under this Plan, the Retired Employee may submit a claim in writing to the Board of Trustees within sixty (60) days of any adverse decision. The claim must be submitted in writing and must contain any and all arguments and information the Retired Employee will want the Trustees to consider in making the determination. A decision on appeal will be rendered within sixty (60) days of the date an appeal is filed.

**MISCELLANEOUS PROVISIONS**

**A. Plan Year**

The Plan Year shall be the period beginning on January 1<sup>st</sup> and ending on December 31<sup>st</sup> each year.

**B. Plan Termination and Amendments**

- The Board of Trustees of the PSSU Fund hopes to continue providing this benefit in the future. Nonetheless, the Trustees may terminate the Plan at any time for any reason in accordance with the provisions of the Declaration of Trust for the PSSU Fund.
- In addition, the Board of Trustees may change, amend, or alter any provision of the Plan at any time in its sole and absolute discretion.
- All changes, amendments and alterations will apply on a prospective (future) basis only.
- All Participants will receive written notice of any changes or amendments to the Plan at least thirty (30) days in advance of the effective date of any such change.

**C. Plan Interpretation**

The Board of Trustees has the sole and absolute discretion to determine eligibility to participate in the Plan. The Board of Trustees also has the sole and absolute discretion to make benefit eligibility determinations. In making such decisions, the Trustees have the sole and absolute discretion to find the facts, to apply the law to the facts, and to construe and interpret

the terms of the Plan. The decisions of the Board of Trustees with respect to eligibility to participate in the Plan and with respect to benefits hereunder shall be final and binding in accordance with applicable law.

**D. Definitions**

|                         |                                                                                                                                                                                                                                                                                                  |
|-------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Spouse</b>           | The meaning of the term "spouse" shall be determined by the laws of the Commonwealth of Pennsylvania.                                                                                                                                                                                            |
| <b>Dependent</b>        | Dependents (within the meaning of section 152 of the Internal Revenue Code, as modified by section 105(b) of the Code) include any natural or adopted children up to age 19 (age 24 if a full-time student, or any age if disabled) and/or the Retired Employee's federal income tax dependents. |
| <b>Retired Employee</b> | An individual who separates from employment with Bucks County on account of retirement on or after January 1, 2007 and who was a member of a collective bargaining unit represented by the Union at the time of retirement.                                                                      |
| <b>Union</b>            | Pennsylvania Social Services Union, Local 668, affiliated with Service Employees International Union.                                                                                                                                                                                            |

**E. Opt Out**

This Plan constitutes minimum essential coverage, as defined under section 5000A of the Internal Revenue Code, for purposes of complying with the individual mandate. Enrollment in this Plan will preclude an individual from claiming premium tax subsidies under section 36B of the Internal Revenue Code for individual coverage purchased in the Health Insurance Marketplace. If you wish to assure your eligibility for premium tax subsidies for coverage purchased in the Marketplace, you may want to elect to permanently opt out of and waive future reimbursements of amounts available to you under this Plan. If you wish to opt out, please contact the Fund office.

Please note that the Fund does not provide any tax or legal advice to Plan participants. You should contact your financial and tax advisors for further information.

**CONCLUSION**

The Board of Trustees of the PSSU Fund hopes that this Summary has answered your questions about the Bucks County Retiree Health Reimbursement Arrangement and how it can help eligible Retired Employees enjoy reimbursement for certain medical expenses after retirement. Again, please keep this Summary with your other important documents so that you can refer to it when you have questions about the Plan.

Very truly yours,

BOARD OF TRUSTEES  
PSSU LOCAL UNIT  
HEALTH AND WELFARE FUND

# ADDENDUM

## MONTHLY BENEFIT AMOUNT

| <u>PARTICIPANT CATEGORY</u>                                                                           | <u>AMOUNT</u> | <u>EFFECTIVE DATE</u> |
|-------------------------------------------------------------------------------------------------------|---------------|-----------------------|
| Medicare-Eligible* Retired Employees                                                                  | \$400.00      | 7/1/2009              |
| Retired Employees (for all months<br>prior to month in which individual<br>becomes Medicare-eligible) | \$750.00      | 7/1/2009              |

\* The applicable benefit amount for Medicare-Eligible Retired Employees shall apply at Medicare-eligibility for a Retired Employee, regardless of whether or not the Retired Employee enrolls in Medicare Part A and Medicare Part B.