



# Thinking of Retiring?



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# Introduction

This information is being provided to help you with the retirement process. You will find eligibility information, checklists, enrollment forms and lots of general information here that should help make the process a little easier.

You are encouraged to call the sources of this information for details in completing all of your necessary paperwork.

When you make the decision to retire, please contact Human Resources for the correct documentation needed. If you plan to retire and are eligible for retirement benefits, please mark the box “Retirement” and provide the exact date you would like your retirement to be.

If you are interested in SEBB Continuation Coverage (COBRA) when you retire please contact Cheryl Matava-Benefit Specialist for rates and application information. Please review the Retirement and Continuation Coverage on the Tahoma website at

[https://www.tahomasd.us/for\\_staff/t\\_s\\_d\\_staff\\_benefits/retirement](https://www.tahomasd.us/for_staff/t_s_d_staff_benefits/retirement)

[https://www.tahomasd.us/for\\_staff/t\\_s\\_d\\_staff\\_benefits/s\\_e\\_b\\_b\\_continuation\\_coverage\\_c\\_o\\_b\\_r\\_a](https://www.tahomasd.us/for_staff/t_s_d_staff_benefits/s_e_b_b_continuation_coverage_c_o_b_r_a)

## **Congratulations!**

# Retirement Planning Checklist

The earlier you begin retirement planning, the more successful your retirement will be. If you are within two years of retirement, this list of steps will help you set your final retirement plans in place.

## 2 years prior to retirement

- Sign up for a retirement seminar, if you have not attended one in the last five years. LEOFF and WSPRS Plan 1 benefit information is no longer offered at our seminars. For retirement planning assistance, please contact a Retirement Services Analyst.
- Create an online estimate or call a Retirement Services Analyst for a written estimate and to discuss retirement planning.
- Use online account access to check the accuracy of your service credit. If you find information you think is incorrect, send us an e-mail or contact us by phone or mail. We will work with you to research the problem and make a correction, if necessary.
- Plan to pay off optional bills/restorations.
- Evaluate the option to purchase service credit when you retire.
- Consider the “catch-up” options for DCP and/or other employer-sponsored programs.
- Review options for health care coverage after retirement.
- Find out if your employer participates in a medical expense reimbursement plan offered by the Voluntary Employees’ Beneficiary Association (VEBA).

## 1 year prior to retirement

- Sign up for a retirement seminar, if you have not attended one in the last five years. LEOFF and WSPRS Plan 1 benefit information is no longer offered at our seminars. For retirement planning assistance, please contact a Retirement Services Analyst.
- Use online account access to check the accuracy of your service credit. If you find information you think is incorrect, send us an e-mail or contact us by phone or mail. We will work with you to research the problem and make a correction, if necessary.
- Call a Retirement Services Analyst for a written estimate and retirement packet.
- Review options for health care coverage after retirement.
- Consider seeking professional retirement planning advice.
- Plan to pay off optional bills/restorations.
- Contact the Social Security Administration to determine your eligibility date and request an estimate of benefits, if applicable. The toll-free number is 1-800-772-1213 or TTY 1-800-325-0778.

### 6 months prior to retirement

- Call DRS for a retirement packet, if you haven't already done so.
- Work with your financial planner, if you have one, to finalize your retirement choices.
- If you're retiring from the Teachers' Retirement System, submit your retirement application and other forms.
- Use online account access to check the accuracy of your service credit. If you find information you think is incorrect, send us an e-mail or contact us by phone or mail. We will work with you to research the problem and make a correction, if necessary.
- Ask your employer about continued health coverage. If you are covered by the Public Employees Benefits Board (PEBB) program, or will be after you retire, contact PEBB Benefit Services at 1-800-200-1004.
- Contact the Social Security Administration about applying for your Social Security retirement benefit and Medicare. (If eligible for Medicare, you and/or your covered dependents must enroll in Medicare Parts A and B to enroll in PEBB plans when you retire.) The toll-free number is 1-800-772-1213 or TTY 1-800-325-0778.

### 30-60 days prior to retirement

- Make sure your optional bills are fully paid.
- Send your retirement application and other forms to DRS.
- If you're eligible for PEBB health care coverage, send your PEBB retiree coverage election form, a copy of your Medicare I.D. card showing enrollment in Medicare Parts A and B (if entitled), and the first month's health coverage premium (if not using pension deduction) to the Health Care Authority.
- If your employer participates in the Deferred Compensation Program (DCP), consider calling DCP at 1-888-327-5596 about deferring your annual leave cash out.

### At Retirement

- Verify that the retirement information on your benefit letter is correct.
- Contact DRS if you do not receive your payment by the last working day of the month in which you retire, or a couple of days after.
- Make sure the deductions on your remittance advice are correct. For questions about PEBB health plan premium deductions, call PEBB Benefit Services at 1-800-200-1004. For non-PEBB insurance, IRS, or other deductions, call DRS.

# Department of Retirement

**Washington State Department of Retirement Systems**

**(DRS)**

**[www.drs.wa.gov](http://www.drs.wa.gov)**

**Toll-free 1-800-547-6657**

# How Career Transitions Affect Your Retirement Accounts and Health Care Coverage



## How Career Transitions Affect your Health Care Coverage and your Retirement Accounts

If you leave or change jobs, you will have choices to make about your health care coverage, retirement and Deferred Compensation Program (DCP) accounts. The information below can help you make informed decisions.

### Health care questions and answers:

**1) What is the deadline to submit your application to the Public Employees Benefits Board (PEBB) for retiree/Plan 3 health care coverage?**

You have 60 days to submit an application to enroll in or defer PEBB coverage after your employer paid or continuous COBRA coverage ends. If you do not submit an application, you lose your rights to enroll in the PEBB retiree health coverage program. Returning to work may allow you to re-establish eligibility.

**2) How do I know if I am eligible for PEBB retiree/Plan 3 health care coverage?**

To confirm your eligibility and/or to request an insurance packet, call 800-200-1004 or 360-725-0440 in the Olympia area. For more information, go to [www.pebb.hca.wa.gov](http://www.pebb.hca.wa.gov)

### Retirement questions and answers:

**3) What happens to my retirement account if I leave my job?**

You have three options. You can:

- Retire (if you are eligible) and begin receiving your benefit; or
- Leave your money in your account until you are eligible to retire; or
- Withdraw your account balance.

The choice is yours. Your own unique circumstances should guide your decision. Factors to consider include:

- How close you are to retirement;
- If you plan to return to a position covered by the same retirement plan; and
- What other sources of income or savings are available to you.

**4) When am I eligible to retire and collect a monthly benefit payment?**

If you are 55 or older you may be eligible. Plan 1 members with 30 or more service credit years can retire at any age. You can review the requirements for your retirement system (PERS, TRS, etc.) and plan (1, 2 or 3) on the DRS website ([www.drs.wa.gov](http://www.drs.wa.gov)). Our member page provides handbooks and brochures for each plan with details about when you can retire and any reductions or restrictions that may apply.

## 5) Why would I want to leave money in my retirement account?

### **Plan 1 and Plan 2 members**

After you meet age and length of service requirements, you will be entitled to monthly benefit payments for your lifetime. The money in your account will continue to earn interest until you retire or withdraw at a later date.

### **Plan 3 members**

If you leave money in your defined contribution account, it will continue to be based on the performance of your investments while you maintain control of your investment choices.

## 6) What happens if I withdraw the money in my retirement account?

In Plan 1 and 2, withdrawing your money means you are no longer eligible to receive a retirement benefit. If you're a Plan 3 member, you can withdraw money from your defined contribution account and still receive a monthly benefit when you are eligible to retire.

## 7) What happens to my retirement account if or when I return to work in a public service position?

If your new position is covered by one of the state's retirement plans, the choices you made when you left employment will determine the answer:

- If you retired – you may be able to stop your benefit and return to membership or work limited hours without affecting your benefit. Contact us to discuss your options.
- If you left money in your retirement account – you will begin contributing to your retirement account again.
- If you were in Plan 1 or 2 and withdrew your money – you will begin contributing to your retirement account again and you may repay the money you withdrew, plus interest, to restore your service credit. Increasing service credit could increase your benefit when you retire. Plan 3 members don't lose service credit when they withdraw their defined contribution account.

## 8) What are the options for my DCP account?

If you retire or leave your public sector job – you can leave your money in your DCP account or choose to receive some or all of your account balance.

If you continue public employment – you can continue, increase, reduce or stop your contributions. In some limited circumstances, the Internal Revenue Service allows for hardship withdrawals while you are still employed. Contact DCP at 800-547-6657 if you want to know more about your options.

## 9) Where can I get help if I have additional questions?

**Online:** The DRS website ([www.drs.wa.gov](http://www.drs.wa.gov)) is an excellent resource for information on your retirement and DCP accounts. Access your account information 24/7, use our online calculators and review publications about your plan, system and DCP account.


**By phone:** Reach us at 360-664-7000 (Olympia area) or 800-547-6657 (toll free).

**In person:** To discuss your account in person, please visit us at our Tumwater office.

Regardless of the choices you make about your retirement account, please be sure to keep your address and beneficiary information current.



# DRS Website Tools - Members




WASHINGTON STATE DEPARTMENT OF RETIREMENT SYSTEMS  
*Making it easy to see your future*

360-664-7000 ♦ 800-547-6657 ♦ [E-mail us](#)

[Contact Us](#)

SEARCH

HOME
MEMBERS
RETIRES
EMPLOYERS
GENERAL



**MEMBERS** (for active members, inactive members, and beneficiaries of members)

**RESOURCES**

- Publications
- Forms
- Nearing Retirement Outlook Newsletter

**INFORMATION FOR**


- New Members
- Former Members
- Elected Officials
- Dual Members

**VOLUNTARY PROGRAMS**

- Deferred Compensation


**I want to**

- Understand how a layoff might affect my retirement account
- See my account balance
- Update my retirement beneficiary
- Create a benefit self estimate
- Withdraw my funds
- Register for a seminar
- Enroll in DCP
- Sign up for access to my account
- Change my DCP account
- Contact Health Care Authority
- Change my address



**learn more about**

- ▶ Divorce & Property Division
- ▶ Early Retirement
- ▶ Purchasing Service Credit
- ▶ Plan Choice
- ▶ Cost of Living Adjustments (COLAs)



**Updated Publications**

- ▶ Higher Education Plan 3: 30-Day Retirement System Choice
- ▶ WSPRS Plan 1 Member Handbook
- ▶ Purchasing Additional Service Credit

**myDRS**

Your personal account detail

Login to

GO

Not finding the account you need?  
[See more...](#)


[Privacy & Security](#)

**Retirement Systems**

- Public Employees' (PERS)
- Teachers' (TRS)
- School Employees' (SERS)
- Law Enforcement Officers' and Fire Fighters' (LEOFF)
- Washington State Patrol (WSPRS)
- Public Safety Employees' (PSERS)
- Judicial (JRS)
- Judges' Retirement Fund (JRF)

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## DRS Website Tools - Retirees



WASHINGTON STATE DEPARTMENT OF RETIREMENT SYSTEMS  
*Making it easy to see your future*


360-664-7000 ♦ 800-547-6657 ♦ [E-mail us](#)

[Contact Us](#)

Search

HOME MEMBERS **RETIREES** EMPLOYERS GENERAL

**Retirees** *(for retired members and the beneficiaries and survivors of retired members)*




**RESOURCES**  
Publications  
Forms  
Benefit Payment Schedule  
Retiree Organizations  
Retirement-Related Links  
Outlook Newsletter

**INFORMATION FOR**  
Elected Officials  
PEBB Retirees

**VOLUNTARY PROGRAMS**  
Deferred Compensation

**I want to**

- Change my address
- Change my direct deposit
- Review my return to work rules
- Set up or change a DCP payment
- Update a beneficiary
- Change my W-4P
- See my 1099-R
- Set up or change a Plan 3 distribution
- Change my PEBB health insurance
- Check my DCP balance




**myDRS**  
Your personal account detail  
Login to  
Select an account   
Not finding the account you need?  
[See more...](#)  
[Privacy & Security](#)

**Frequent Forms**

- Authorization for Direct Deposit
- Beneficiary Designation
- Legal Order Payee Beneficiary
- Name/Address Change
- IRS Form W-4P

**learn more about**

- ▶ Adjusted minimum benefit
- ▶ Cost of Living Adjustments (COLAs)
- ▶ What to do when a death occurs
- ▶ Working After Retirement



**Retiree News and Announcements**

*Retirement Outlook* Newsletter - Current Issue | Archive

- DRS is proud to participate in Washington Saves Week
- 1099-R tax forms have mailed
- Retirees can use our new withholding calculator for help with their W-4P
- Charitable giving made easy through Combined Fund Drive

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# Public Employee Benefits Board

**(PEBB)**

[www.pebb.hca.wa.gov](http://www.pebb.hca.wa.gov)

**Forms:** [www.pebb.hca.wa.gov/forms.html](http://www.pebb.hca.wa.gov/forms.html)

**PO BOX 42684**

**Olympia, WA 98504**

**1-800-200-1004**

**Fax (360) 923-2608**

## Leaving School District Employment Health Insurance Options

As a school district or educational service district employee, you may be eligible for PEBB retiree health insurance. Please review these materials to familiarize yourself with procedures to enroll now or protect this benefit for your future enrollment.

PEBB provides a quality, comprehensive insurance package for school district and educational service district retirees. Your school district or educational service district employer has been contributing to a fund that subsidizes the premiums for PEBB retiree insurance so PEBB may be a good value for you.

There are three general eligibility requirements to receive PEBB retiree health insurance:

- You must enroll or defer coverage no later than 60 days after your employer-paid or COBRA coverage ends. If you do not submit an application to enroll in or defer coverage within the 60 day window, you lose all rights to enroll in the PEBB Program in the future. To regain eligibility you would have to return to work in a PEBB benefits eligible position.
- You must be vested in a Washington state-sponsored retirement plan.
- You must receive a monthly retirement plan payment or a lump sum payment (if Department of Retirement Systems (DRS) determines the monthly payment is below the minimum payment that can be paid), with one exception. Plan 3 members do not have to receive a retirement plan payment but must meet the age and length of service requirements.

Depending on your situation, you may be able to enroll in PEBB retiree health insurance now or take action to protect your eligibility for future enrollment.

### Important Requirements to Remember

- You have 60 days after the date your employer or continuous COBRA coverage ends to enroll in or defer (postpone) PEBB retiree coverage. If you don't complete and submit the *Retiree Coverage Election Form* within the required timeframe you could lose your right to enroll.
- If entitled, you and/or your dependent(s) must enroll in both Medicare Part A and Part B to qualify for PEBB retiree coverage.

### What Benefits are Included

As an eligible retired public employee, you can apply for [medical](#) and [dental](#) coverage through the PEBB program. In some instances, retiree term life insurance is also available.

### How do I Enroll

Enrolling is simple. Just follow this timeline:

<b>About 90 days before you retire</b>	Contact the Social Security Administration to enroll in Medicare Parts A and B if you or any family members you wish to cover are entitled to Medicare either due to age (65) or disability.
<b>60 days before you retire</b>	Request a packet. Call 1-800-200-1004 or 360-412-4200 in the Olympia area. You can also email us your <b>name</b> and <b>daytime phone number</b> at <a href="mailto:askpebb@hca.wa.gov">askpebb@hca.wa.gov</a> . We will need to call you and ask you a few questions.  We will send you a complete retiree insurance packet (including applications and all the information you need).
<b>Within 60 days from the date active employment ends</b>	Return your completed retiree application and/or any applicable forms to the <a href="#">Health Care Authority</a> .

### When do I Have to Enroll

You must complete an application to enroll in or defer PEBB retiree coverage within 60 days after your active employment or continuous Consolidated Omnibus Budget Reconciliation Act (COBRA) coverage ends. If you do not complete an application, you forfeit your right to future enrollment in the PEBB program. (Please see detailed information in the *Retiree Enrollment Guide*, included in the retiree insurance packet.)

## How Much Does It Cost?

Please look at rates in PEBB website with Medicare and without Medicare. Generally, rates change every January 1.

## How Do I Pay My Health Plan Premiums?

You can pay for your retiree medical and dental coverage through:

- Pension deductions. (The premium deduction for the current month comes out of your end-of-the-month pension check.)
- Automatic bank account withdrawals.
- Direct payment by personal check or money order payable to the Washington State Treasurer.
- Volunteer Employee Benefits Association (VEBA) account reimbursements, if you are a VEBA member. You must contact VEBA (1-888-828-4953) to make reimbursement arrangements.

We will not enroll you until we receive your first month's premium payment. If you tell us on your enrollment form to have your premiums deducted from your monthly pension check, you do not need to send payment for your first month's premium.

## Who Can Answer My Questions?

<b>About payments</b>	<b>Call our Accounting Department at 1-800-200-1004.</b>
<b>About a plan's providers, benefits, or formulary (a list of approved drugs that the plan will cover)</b>	<a href="#">Call the health plan directly.</a>
<b>About eligibility, enrollment, or deferring your retiree coverage</b>	Call us at 1-800-200-1004. This information is also available at <a href="http://www.pebb.hca.wa.gov/policy">www.pebb.hca.wa.gov/policy</a> .

# VEBA / Sick Leave Cashout

## Sick Leave Cashout

Per Washington State RCW 28A.400.210, at the time of retirement from school district employment, you may be eligible to cash out your sick leave at a 1 to 4 ratio. The Tahoma School District provides you two options regarding this cash out if eligible:

**VEBA Reimbursement Plan** - Your bargaining unit has voted in the VEBA III Health Reimbursement Plan which allows your sick leave cash out to be tax-exempt. Your sick leave is cashed out at a ratio of 1 to 4 with the dollars being sent to VEBA III to be used for out-of-pocket healthcare costs, including premiums. Enclosed is paperwork you will want to review, including an enrollment form. Also included is other information on the VEBA III Trust Program that you may find helpful.

If you plan to participate in the VEBA III program, complete the enrollment form and return the completed form to the Payroll department.

If you have any questions concerning the VEBA III program, call 1-800-832-2101 or access their website at [www.veba.org](http://www.veba.org).

**Cash out Disbursement to Employee** - If you do not plan to participate in the VEBA III program, then print your name on the form and write across the front "Not Participating". Be aware that if you choose not to participate and choose to have your sick leave paid directly to you, you will forfeit 12 days of sick leave and the amount will be subject to federal taxes.

**Please provide the Payroll Department with a copy of the letter you will receive from the Department of Retirement stating that you will be receiving benefits. The District needs to receive the letter within 90 days of your retirement date and will use this letter as verification of your retirement so we may release your sick leave dollars to VEBA III. (The dollar amounts on the letter from the Department of Retirement are not needed and may be crossed out.)**

# VEBA Plan Enrollment Kit

For public employees in Washington



veba.org

## BASIC PLAN INFORMATION & ENROLLMENT FORM

### Enrollment Kit contents:

1. Basic Plan Information & Enrollment Form
2. Investment Fund Information
3. Investment Fund Overview (available from your employer or at [veba.org](http://veba.org); performance updated quarterly)

### Introduction

Congratulations! You are enrolling in the VEBA Plan, a health reimbursement arrangement for public employees in Washington.

You can use your VEBA account to reimburse eligible out-of-pocket healthcare costs and premiums for you, your spouse, and qualified dependents. Generally, dependents must satisfy the IRS definition of "qualifying child" or "qualifying relative" as of the end of the calendar year in which expenses were incurred. See Definition of Dependent at [veba.org](http://veba.org).

### The tax objectives are:

1. To enable your employer to make tax-free contributions to the plan on your behalf;
2. For your account to be credited with tax-free investment earnings; and
3. To enable you to obtain tax-free reimbursements for your eligible out-of-pocket healthcare expenses and insurance premiums.

Contributions, earnings, and withdrawals (claims) are not tax reportable. You will not receive a Form 1099 for earnings or withdrawals (claims). Unused funds in your account carryover from year to year.

### Enrollment

Now that you are eligible to enroll, simply complete the attached Enrollment Form and return it to your employer. IRS rules require that all employee group members defined as eligible must participate.

You will become a Participant under the Plan on either: (1) the date specified by your employer on your Enrollment Form; or (2) the date upon which both a fully completed and signed Enrollment Form and a contribution have been received by the third-party administrator (TPA).

Once the above items are received, the TPA will send you a welcome packet. Your welcome packet will provide you with:

- Your participant account number
- Welcome letter confirming your employer's initial contribution
- Plan Summary
- Login directions for myVEBA Plan online
- Claim Form

### Investment Options

You can choose either one of two participant-directed investment options. The enclosed Investment Fund Information brochure contains detailed information. Fund fact sheets and prospectuses are available at [veba.org](http://veba.org).

#### Option A: Do-it-yourself

Build your own portfolio using funds from six individual asset classes.

#### Option B: Choose a pre-mix

Select any one of four professionally designed, pre-mixed asset allocation portfolios.

You can change your investment fund allocation up to once per calendar month.

Net investment earnings (or losses) after fund management and trust administrative expenses have been deducted are credited tax-free to your account daily.

### Third-party Administrator

Contact the TPA, Meritain Health, for information regarding your account, questions about claims, or to request forms. Meritain Health has more than 30 years of experience

and is available to serve you from its Minneapolis service center.

Please immediately notify the TPA of any changes to your name, contact information, or systematic premium reimbursement details.

### Qualified Expenses & Premiums

Common qualified expenses include co-pays, coinsurance, deductibles, prescriptions, etc. Eligible insurance premiums include medical, dental, vision, tax-qualified long-term care (subject to IRS limits), Medicare Part B, Medicare Part D, and Medicare supplement plans. Go to [veba.org](http://veba.org) for a more detailed list.

Insurance premiums paid by an employer or deducted pre-tax through a Section 125 cafeteria plan, are **not** eligible for reimbursement. When requesting reimbursement of premiums deducted from your paycheck, you should include a letter from your employer that confirms a pre-tax option for the deduction of such premiums is not available.

If you or your spouse have a Section 125 healthcare flexible spending account (FSA), you must exhaust the FSA benefits before submitting claims.

### Claims

Withdrawals (claims) from your account can be made only for eligible out-of-pocket healthcare expenses and premiums.

Simply e-mail, fax, or mail a completed Claim Form or Systematic Premium Reimbursement Form to the TPA. Get these forms online at [veba.org](http://veba.org), or by contacting the TPA.

Qualified expenses and premiums submitted for reimbursement must be incurred after your account is first activated and you become eligible to file claims.



## BASIC PLAN INFORMATION & ENROLLMENT FORM

### Claims – continued

#### To expedite your claims:

1. Fully complete all requested information
2. Attach itemized verification for each expense or service. Cancelled checks or balance forward statements are not acceptable. Acceptable forms of verification include:
  - a. Explanation of benefits (EOB)
  - b. Itemized billing or statement
  - c. Detailed receipt
3. Documentation required for qualified insurance premium reimbursement includes:
  - a. Name(s) of individual(s) covered
  - b. Premium amount(s)
  - c. Policy period
  - d. Insurance provider name and address
4. Sign up for direct deposit; its faster and more secure.

expenses and premiums. Surviving spouses and qualified dependents enjoy the same tax advantages as participants.

If you have no eligible survivors, the executor of your estate will be given an opportunity to file claims for any unreimbursed expenses you incurred prior to your death. Any remaining funds will then be forfeited and redistributed pro rata among the remaining participants from the employer that made your contribution(s). IRS Revenue Ruling 2006-36 does not permit the payment of benefits to non-dependent heirs.

### Online Services

When you receive your welcome packet, go to [veba.org](http://veba.org) and click the link to **myVEBA Plan online**. After logging in, you can:

- View account details and investment performance
- Track the status of claims in progress and view claims history
- Set up a systematic premium reimbursement
- Update account preferences, investment allocations, and other information

You do not have to login to access general plan information and fillable forms at [veba.org](http://veba.org).

### Account Statements

If you provide a valid e-mail address and elect to receive electronic communication (recommended), you will be notified when your quarterly participant activity statement is available online. Otherwise, paper participant activity statements will be mailed to you in January and July.

### Board of Trustees

The VEBA Plan is offered by the non-profit, tax-exempt VEBA Trust which is managed

by a board of trustees appointed by the plan sponsors:

- Association of Washington School Principals (AWSPP)
- Washington Association of School Administrators (WASA)
- Washington Association of School Business Officials (WASBO)

### Contact Information

Contact the TPA for:

- Account information
- Paper forms
- Claims and systematic premium reimbursement inquiries

### Third-party Administrator (TPA)

Meritain Health  
 PO Box 27810  
 Minneapolis, MN 55427-0810  
 Phone: 1-888-828-4953  
 Fax: (763) 582-3471  
 E-mail: [myVEBAPlan@meritain.com](mailto:myVEBAPlan@meritain.com)

### Plan Expenses

Effective October 1, 2011, all expenses of operating VEBA Trust are paid by a \$1.50/ month per participant fee, plus an annualized fee of approximately 1.50% of your average participant account balance. This fee is adjusted periodically as plan expenses change. The annualized fee is paid by a reduction to investment earnings or, if there are no earnings, charged as a deduction to participant accounts.

Trust operating and administrative expenses include legal fees, consulting, local servicing, printing, postage, auditing, claims processing, account administration, etc.

### Survivor Benefit

If you pass away, remaining funds in your account may continue to be used by your surviving spouse and qualified children and dependent(s) to reimburse eligible healthcare

### Plan Consultant & Local Service

Contact the VEBA Service Group, LLC office near you.

**Spokane**  
 1-800-VEBA (8322)

**Sumner**  
 1-800-422-4023

**Tri-Cities**  
 1-855-735-7713

**Vancouver**  
 1-877-605-3945

**Legal Counsel**  
 Katten Muchin Rosenman LLP  
 Russell Greenblatt

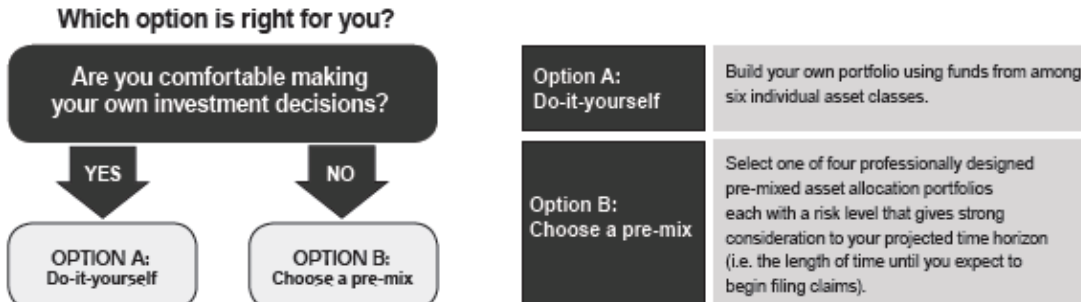
### Enrollment Form Checklist

#### Did you...

- |  |  |
|--|--|
| <input type="checkbox"/> Provide your e-mail address and elect e-communication (sections 2 and 5)? | <input type="checkbox"/> Make your investment selection (section 3)? |
| <input type="checkbox"/> Enroll in direct deposit (section 7)?                                     | <input type="checkbox"/> Sign your Enrollment Form (section 4)?      |

## Investment Fund Information

Performance results are contained on the Investment Fund Overview updated quarterly at [veba.org](http://veba.org).



### Important Investment Guidelines

**What is your asset allocation strategy?**  
 Before making your investment decision, you should define your asset allocation strategy. A proper asset allocation strategy (i.e. choosing the right blend of asset classes for your financial situation) can help reduce risk and increase potential return over time.

- Reducing one type of risk generally requires you take on more of another
- The higher the risk, the higher the potential for reward; the lower the risk, the lower the potential for reward
- The shorter the time frame you have for investing, the more you should reduce investment risk

**What kind of investor are you?**  
 Determining what kind of investor you are will help you define your asset allocation strategy. In other words, are you most interested in growing your account or preserving your account? If you are most interested in growing your account, you must be willing to tolerate more risk and accept potentially large fluctuations in value. Preserving your account generally involves less risk and should result in smaller fluctuation in value.

**Asset class**  
 Asset classes come in three general types: stocks, bonds, and short-term investments (stable value). Your overall investment strategy will help you determine what percentage you should allocate to each asset class.

**What is your time horizon?**  
 Your time horizon is the number of years you have to invest, or the length of time until you anticipate filing claims. Investors with longer time horizons are often willing to tolerate more risk; investors with shorter time horizons tolerate less risk.

**Diversification**  
 You know the old saying, "Don't put all your eggs in one basket"? With investing, this is called diversification. It's the process of spreading your money among different asset classes. In addition, mutual funds are diversified and if you invest your money in a stock mutual fund, you will hold stock in many different companies. Even if a few companies perform poorly, their losses may be offset by stocks that perform well.

Time is very important when determining your asset allocation strategy. Investments may increase in value over time assisted by the power of compounding, and time can help smooth the ups and downs of the financial market. Your asset allocation strategy should depend heavily on how much time you have until you will begin filing claims.

**Asset allocation**  
 Choosing the right combination of investments for your portfolio is called asset allocation. This is an important step that can help you reach your retirement goals. When you allocate your assets, you spread your savings out among stable value, bond, and stock investments, but not in random amounts. Aggressive investors with long-term goals may prefer portfolios with more stocks, while more conservative investors are likely to use more stable value and bonds. As you build your investment portfolio, consider your personal situation. Your asset allocation decisions should be based on:

**Risk vs. potential reward**  
 Risk is generally thought of as the possibility of losing money on investments. If your investment's value fluctuates significantly down and up, and you make a withdrawal for a qualified medical expense during a down market investment period, you may experience loss. You also need to consider inflation risk, the chance that your investments will not earn enough to keep pace with the rising cost of living, in this case, increasing health care costs. Consider the following general principals of risk:

- When you will begin to file claims
- The amount of time you have to reach your goal
- Your own tolerance for risk
- Your other savings and investments

VB46 (Revised 9/11)

Important investment guidelines - continued

**Importance of rebalancing**

Over time, some of your investment fund selections may grow more quickly than others, some may even lose value, causing your portfolio to become out of alignment with your original allocation percentages.

Rebalancing periodically redistributes your entire account balance according to your most recent allocation percentages on file with the third-party administrator. This process aids in maintaining the level of risk you are willing to take and helps you achieve the goals and objectives of your asset allocation strategy.

Rebalancing at the end of each calendar year is optional under **Option A: Do-it-yourself**. The pre-mixed asset allocation portfolios offered under **Option B: Choose a pre-mix** are automatically rebalanced quarterly.

**No guarantees**

Keep in mind that the use of asset allocation or diversification as part of an investment strategy does not guarantee a profit or guarantee against a loss.

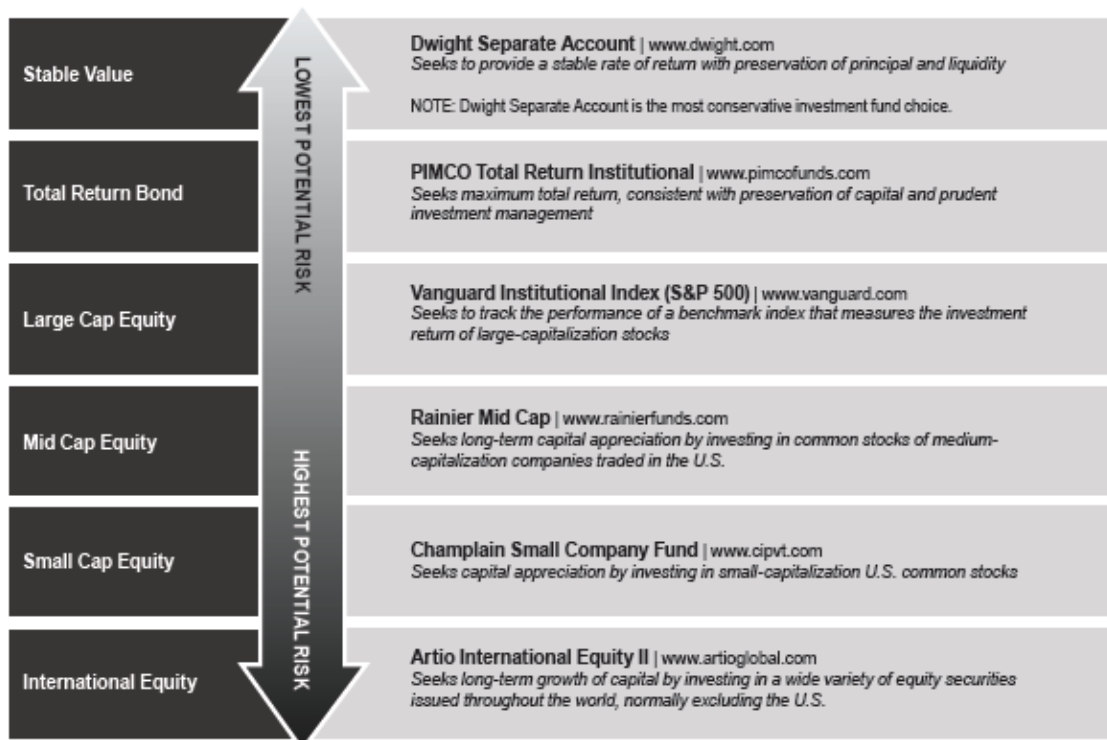
Funds are not FDIC insured, are not guaranteed by a bank, and may lose value. Even the most conservative investment fund option may lose value.

**More information**

Go to [veba.org](http://veba.org) for more information, including historical fund performance. Fund fact sheets and prospectuses are available at [veba.org](http://veba.org).

**Option A: Do-It-Yourself**

Listed below are the available asset classes and funds you can use to build your own portfolio. Performance results are contained on the **Investment Fund Overview** updated quarterly at [veba.org](http://veba.org).



Not FDIC insured. No bank guarantee. May lose value.

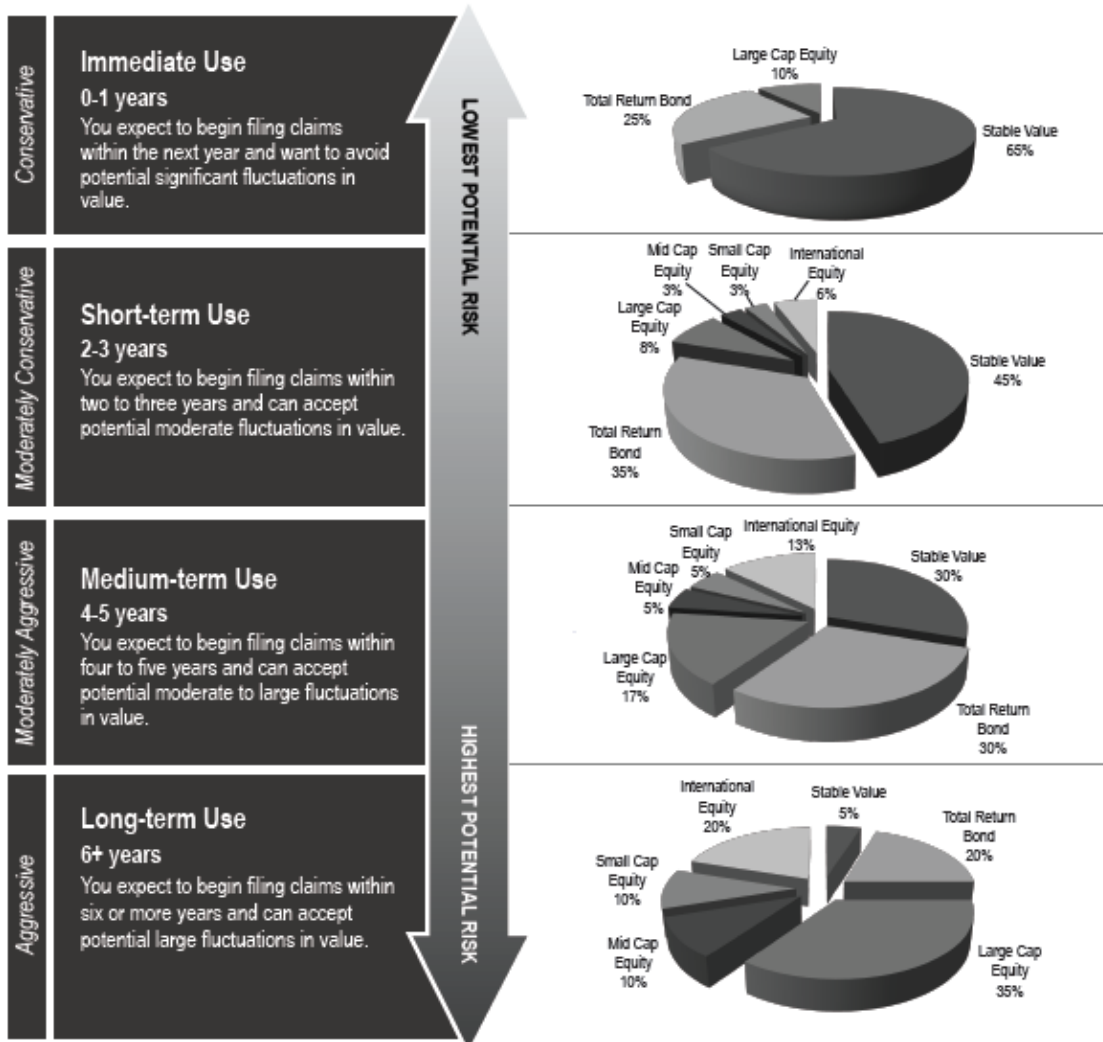
## Option B: Choose a Pre-mix

If you want your asset allocation designed by professionals, VEBA Trust offers a series of pre-mixed portfolios to accommodate a variety of asset allocation strategies from conservative to aggressive. These portfolios are routinely monitored by investment experts using sophisticated financial analysis software and modern portfolio theory.

Many investment advisors recommend the use of pre-mixed portfolios. Pre-mixed portfolios are well diversified and designed to meet specific goals and objectives. The pre-mixed asset allocation portfolios are automatically rebalanced quarterly. Performance results can be found on the quarterly Investment Fund Overview at [veba.org](http://veba.org).

### Which pre-mixed asset allocation portfolio is best for you?

The risk level of each pre-mixed portfolio is designed with strong consideration given to the portfolio's projected time horizon (i.e. the length of time until you expect to begin filing claims). The time horizon is simply a guide; you can always file claims no matter which pre-mix you choose.



Not FDIC insured. No bank guarantee. May lose value.

## Other Important Information

### Contributions

Contributions received are allocated per your current investment fund allocation election on file with the TPA. If no investment fund allocation election is on file, funds will be allocated to the Stable Value fund.

### Transfers

You may transfer among the investment funds up to once each calendar month. You can make fund transfer requests online or by submitting a completed and signed Account Change Form to the TPA. Transfer requests are generally effective within two to three business days.

### Withdrawals

If your account is allocated among multiple investment funds, withdrawals from your account will be made proportionately based on your fund allocation election on file with the TPA unless you request otherwise.

### Investment Risk

The Stable Value fund is invested among interest-bearing guaranteed investment contracts (GICs) and is the most conservative fund choice. The remaining funds are invested in securities that will fluctuate in value on a monthly basis, and withdrawals from these funds may be worth more or less than your original employer contribution. Prior to submitting your Participant Enrollment Form or Account Change Form to the TPA, please carefully review your selected investment fund choice(s).

Should your investment objectives change, you should reevaluate your fund selection(s) and make appropriate changes. Remember, any investment that contains stock market investments entails the risk of loss. We must stress that investment returns, particularly over shorter time horizons, are highly dependent on trends in various investment markets. Thus, investing in stocks and bonds is suitable primarily as a longer-term strategy and should not be used by participants who will begin filing claims immediately.

### Using Multiple Investment Funds

You may use a single fund or multiple funds when creating your do-it-yourself portfolio. You may choose only one pre-mixed portfolio. You may not choose both a do-it-yourself portfolio and a pre-mixed portfolio.

### Fund Management Expenses

Fund management expenses vary from fund to fund. Each investment fund's expense ratio can be found on the VEBA Trust Investment Fund Overview updated quarterly at [veba.org](http://veba.org), or by visiting each fund's respective website.

### Investment Advice

Please read this information carefully and consult with your personal financial advisor before making an investment decision. The trustees, plan consultant, and third-party administrator do not give investment advice.

## Investment Terms

**Asset Allocation:** An investment strategy with a goal of balancing risk and reward by investing a portfolio's assets according to an investor's predetermined goals, risk tolerance, and time horizon. Money invested is allocated among different asset classes that do not all react the same to events in order to meet the investment goals of the individual investor.

**Bond:** A debt investment in which an investor loans money to an entity (corporate or government) that borrows the funds for a defined period at typically a fixed interest rate. Bonds may also have variable interest rates. The bondholder does not have ownership rights to the bond issuer unlike a stockholder. Generally, bonds are used to finance various projects and activities.

**Capitalization:** The collective market value of the stock of a corporation. The market price of a share of stock, multiplied by the number of shares outstanding, equals the market capitalization of a corporation.

**Diversification:** Mixing a wide variety of investments within a portfolio.

**Large Cap:** Refers to companies with a "large market capitalization", generally with capitalization valued at more than \$10 billion.

**Mid Cap:** Refers to companies with market capitalization of between \$2-\$10 billion.

**Modern Portfolio Theory:** Theory on how risk-averse investors can construct portfolios to optimize or maximize expected return based on a given level of market risk, emphasizing that risk is an inherent part of higher reward.

**Mutual Fund:** Investment vehicle made up of a pool of money collected from different investors to invest in securities. Mutual funds are operated by money managers who invest the fund's capital and attempt to produce

capital gains and income for the fund's investors.

**Principal Value:** The amount of the original investment.

**Prospectus:** Document that provides details about an investment offering for sale to the public. Required by Securities Exchange Commission (SEC).

**Rebalancing:** The process of buying or selling assets in a portfolio to maintain the investor's desired levels of investment allocation between asset classes.

**Security:** An instrument representing ownership, a debt agreement, or the rights to ownership. Examples of a security are Treasury Bills, Commercial Paper, Certificates of Deposit (CDs), bonds, stocks, and derivative contracts.

**Separate Account:** A private investment account opened through a brokerage or financial advisor that is used to buy individual assets.

**Stock:** A type of security that signifies ownership in a corporation and represents a claim on part of the corporation's assets and earnings.

**Time Horizon:** The length of time over which an investment is made or held before it is liquidated.

**Total Return:** The actual rate of return of an investment over a given evaluation period, includes interest, capital gains, dividends, and distributions.

**Volatility:** Statistical measure of dispersion of returns for a given security or market index.

# Social Security

[www.ssa.gov](http://www.ssa.gov)

**1-800-772-1213**

## Online Resources

[www.ssa.gov/planners/about.htm](http://www.ssa.gov/planners/about.htm)

### Apply Online For Retirement Benefits

#### Boldly Go Online To Retire - It's So Easy!

Social Security offers an online retirement application that you can complete in as little as 15 minutes. It's so easy. Better yet, you can apply from the comfort of your home or office at a time most convenient for you. There's no need to drive to a local Social Security office or wait for an appointment with a Social Security representative.

In most cases, once your application is submitted electronically, you're done. There are no forms to sign and usually no documentation is required. Social Security will process your application and contact you if any further information is needed.

[Apply For Retirement](#)



#### Not ready to retire yet?

It's never too early to start planning. Use the [Retirement Estimator](#) to obtain immediate and personalized estimates of your future retirement benefit.

#### Questions About Our Online Application...

##### Who can use it?

You can file online if you:

- are at least 61 years and 9 months old;
- are **not** currently receiving benefits on your own Social Security record;
- have not already applied for retirement benefits; **and**
- want your benefits to start no more than 4 months in the future.



**Note:** We cannot process your application if you file for benefits more than four months in advance.



### **Important**

If you are within 4 months of age 65, your retirement application will include Medicare benefits. If you do not want to start receiving retirement benefits yet, you can use this application just to sign up for Medicare.

However, if you have a Health Savings Account (HSA) and/or health insurance based on employment, you may want to ask your personnel office or insurance company how signing up for Medicare will affect you.

### ▼ **How do I use it?**

Select the Apply for Retirement button above.

You'll go through a series of screens that will ask you questions about yourself, your family and your work.

If you get stuck on a question, you can skip it and go back later. When you get to the end of the application, we'll let you know if there are any questions you still need to answer.

Once you've answered all of the questions, just click on "Sign Now" to send your application to Social Security.



### **Note**

You may also have to mail or bring in some documents that we need to process your application.



### ▼ How does it make it easier to apply for benefits?

Our online application has number of features:

- **A Retirement Estimator** - gives you a personal estimate of how much your benefits will be at different ages and "stop work" dates.
- **Avoid trips to your Social Security office.** That saves you time and money.
- **Answer questions on your schedule** - you can start and stop the application without fear of losing any of the information you entered.
- **Chance to correct mistakes** - before you finish the application you'll be given a chance to go back and make corrections.
- **[More Info] links** - when you have trouble answering a question help is just a click away...
- **No need to mail in your application** - when you're finished, just click "Sign Now" to send your application to Social Security.

#### Note

You'll get a receipt for your online application that you can print and keep for your records. We'll also give you a confirmation number. Use that number to check the status of your application after you've applied.

### ▼ What happens after I apply?

Once we receive your application, we'll review it. After the review, we will contact you if we need more information or if we need to see your documents. We'll also let you know if...

- [you may be able to receive benefits on another person's record](#), such as your spouse.
- [other family members may be able to receive benefits](#) on your work record.

When we have all of the necessary information and documents, we'll process your application and send you a letter about our decision in the mail.

#### Note

If you applied online for just Medicare, you can still apply online for retirement benefits later on.

# Applying for Retirement Benefits

[www.ssa.gov/pgm/retirement.htm](http://www.ssa.gov/pgm/retirement.htm)



## Social Security

The Official Website of the U.S. Social Security Administration

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Watch Video:  
Patty Duke applies online

More...

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- [Estimate your Social Security retirement benefits](#)
- [Estimate other potential benefits](#)
- [Find your full retirement age](#)
- [Benefits for your spouse](#)
- [Benefits for you as a spouse](#)

### If You Already Receive Retirement Benefits...

- [Get a replacement Medicare card](#)
- [Get or change a password \(Not available for SSI\)](#)
- [Check your Social Security information or benefits](#)  
See the contact, direct deposit, Medicare and payment information we have on file for you. (Password required)
- [Request a proof of income letter](#)  
Get a letter that verifies your Social Security benefit information. (Includes Medicare and SSI)
- [Get a Form 1099/1042S -- Social Security Benefit Statement](#)  
Replace the lost, damaged, or missing tax summary of your Social Security benefits for 2011. (Not available for SSI)
- [Change your address or telephone number](#)  
(Not available for SSI)
- [Change or sign up for direct deposit \(Password required\)](#)
- [Block electronic and automated telephone access to your personal information](#)
- [Select or change the way you receive information from Social Security if you are blind or visually impaired](#)

# Social Security – Get a Publication

[www.ssa.gov/pubs/index.html?topic=retirement](http://www.ssa.gov/pubs/index.html?topic=retirement)



## Social Security

The Official Website of the U.S. Social Security Administration

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Social Security Demo: Online Retirement Planning	05-10658	06/10	
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## Other Things to Consider

[www.ssa.gov/retire2/otherthings.htm](http://www.ssa.gov/retire2/otherthings.htm)

### **What is the best age to start your benefits?**

The answer is that there is no one “best age” for everyone and ultimately, it is your choice. You should make an informed decision about when to apply for benefits based on your individual and family circumstances.

Your monthly benefit amount can differ substantially based on the age when you start receiving benefits. If you decide to start benefits:

- Before your full retirement age, your benefits will be smaller but you will receive it for a longer period of time
- At your full retirement age or later, you will receive a larger monthly benefit for a shorter period of time.

The amount you receive when you first get benefits sets the base for the amount you will receive for the rest of your life.

### **Are you still working?**

If you plan to continue working, there are limits on how much you can earn each year between age 62 and full retirement age and still get all your benefits.

Depending on the amount of your benefit and your earnings for the year, you may have to give up some of your benefits. If your earnings will be high, you may decide to wait until full retirement age to start your benefits.

Once you reach full retirement age, there is no limit on how much you can earn.

### **Reminders:**

- After you reach full retirement age, we recalculate your benefit amount to give you credit for any months in which you did not receive a benefit because of your earnings.
- When additional earnings appear on your record, we check whether they will increase your monthly benefit. If they do, we will send you a letter telling you your new benefit amount.
- You can apply for just Medicare at age 65 and start receiving Retirement Benefits at a later date.

# Medicare

[www.medicare.gov](http://www.medicare.gov)

**1-800-633-4227**

**1-800-MEDICARE**

## **What is Medicare?**

Medicare is health insurance for the following:

- People 65 or older
- People under 65 with certain disabilities
- People of any age with **End-Stage Renal Disease (ESRD)** (permanent kidney failure requiring dialysis or a kidney transplant)

## **The Different Parts of Medicare**

Medicare **Part A** (Hospital Coverage)

- Helps cover inpatient care in hospitals
- Helps cover **skilled nursing facility, hospice, and home health care**

Medicare **Part B** (Medical Insurance)

- Helps cover doctors' and other health care providers' services, outpatient care, durable medical equipment, and home health care
- Helps cover some **preventive services** to help maintain your health and to keep certain illnesses from getting worse

Medicare **Part C** (also known as Medicare Advantage)

- Offers health plan options run by Medicare-approved private insurance companies
- Medicare Advantage Plans are a way to get the benefits and services covered under Part A and Part B
- Most Medicare Advantage Plans cover Medicare prescription drug coverage (Part D)
- Some Medicare Advantage Plans may include extra benefits for an extra cost

Medicare **Part D** (Medicare Prescription Drug Coverage)

- Helps cover the cost of prescription drugs
- May help lower your prescription drug costs and help protect against higher costs in the future
- Run by Medicare-approved private insurance companies



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