



**IAFF Health &
Wellness Trust**



**IAFF MERP
MEDICAL EXPENSE
REIMBURSEMENT PLAN**

2024 PROGRAM UPDATES

WSCFF EDUCATIONAL SEMINAR

VANCOUVER, WA

APRIL 16, 2024

DiMartino Associates

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AGENDA

The IAFF Health & Wellness Trust (HWT)

- Overview of the HWT
- Participation Updates
- Benefit Changes/Enhancements

The IAFF Medical Expense Reimbursement Plan (MERP)

- Trust Governance
- Growth & Geographic Expansion
- Contribution & Funding Strategies
- Plan Features
- New Administrative Protocols

A UNION SPONSORED HEALTH & WELFARE TRUST

FOR FIRE FIGHTERS,
BY FIRE FIGHTERS

The IAFF Health & Wellness Trust was created for the sole purpose of providing a fire fighter-centric healthcare solution with our members and their families' interests always top of mind.

Everything we do is motivated by our desire to improve the healthcare experience for participating members.



TRUST HISTORY & GOVERNANCE

Founded in 2013 by the Washington State Council of Fire Fighters (WSCFF) to provide access to quality retiree medical.

- Formerly the Northwest Fire Fighters Benefits Trust (NWFFT)

Governance through a Board of thirteen (13) fire fighter Trustees.

Partnership with IAFF beginning in 2022

- Trust now referred to as the “IAFF HWT”
- Trust added four (4) appointed Trustee positions (IAFF DVP, Eastern, Western and At-Large)

Trust Team

- Trust Consultant – DiMartino Associates
- The Trust Office – Vimly Benefit Solutions



**IAFF Health &
Wellness Trust**

PARTICIPATION REQUIREMENTS

- IAFF Participating Local in the US working for a public employer
- Must have collective bargaining or similar due to IRS rules permitting us to operate as a Union Sponsored Health & Welfare Trust under ERISA
- Coverage can be extended to non-bargained fire department staff



2024 IAFF HWT PARTICIPATION

70

Participating Locals

5,500+

Fire Fighters

13,700+

Members



Currently in 12 States:
AK, AZ, CA, CT, ID, IL, KS, MO,
NV, NY, OR, & WA

TRUST RENEWAL HISTORY

Trust went live with a fully-insured, group plan on 1/1/2013

2014 Renewal Action: 8.1%

2015 Renewal Action: 6.9%

2016 Renewal Action: 3.9% - *Trust went self-insured*

2017 Renewal Action: 4.9%

2018 Renewal Action: 7.9% - *Carved out pharmacy*

2019 Renewal Action: 7.9%

2020 Renewal Action: 5.9%

2021 Renewal Action: 3.9%

2022 Renewal Action: 0% - *Carved out claims administration*

2023 Renewal Action: 2.9%

2024 Renewal Action: 8.7%

IAFF HWT annual increase has averaged 4.3% over the last 5 years, while consistently enhancing benefits year over year!



IAFF Health & Wellness Trust

PROVIDER NETWORK + CLAIMS ADMINISTRATION ...THE BEST OF BOTH WORLDS

National Blue Card PPO Network

- Your provider network is the National Blue Cross Blue Shield Plan wherever you are!

Sav-Rx Prescription Services

- Member-centric pharmacy benefits from an all-Union PBM
- Available to assist IAFF HWT members 24/7/365!

MDLIVE Virtual Care

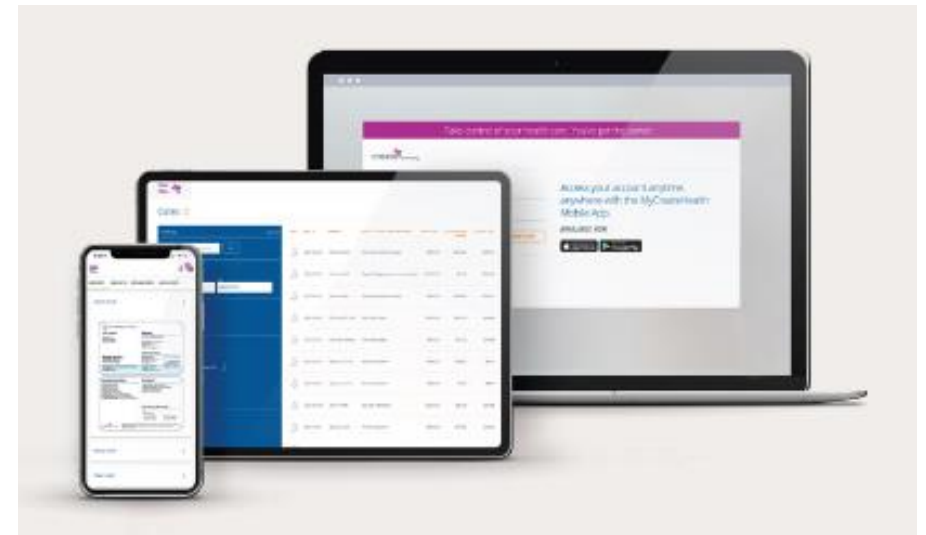
- All IAFF HWT plans include covered in full virtual care benefits, including behavioral health visits

Vision Service Plan (VSP)

- Vision coverage is included in all IAFF HWT plans
- One (1) Exam PCY + Two (2) Pair of Glasses/Contacts Every Other Year
- \$500 toward LASIK / PRK

MagnaCare

- All of your Medical/Rx/Vision benefits are at your fingertips with MagnaCare's state-of-the-art technology platform MyCreateHealth



IAFF Health & Wellness Trust

ALL-INCLUSIVE BENEFITS

Life/AD&D Benefit

- All Active employees are automatically enrolled in a \$20,000 Life/AD&D plan + Line of Duty Death Rider

Critical Illness Benefit

- All Active employees are automatically enrolled in a \$5,000 Critical Illness plan
- Option to buy-up additional Voluntary Benefits on an annual basis

Orthopedics Stem Cell/PRP

- All IAFF HWT plans include access to non-surgical orthopedic treatment options at select provider locations across the United States

Member Assistance Program

- All Active employees are automatically enrolled in Member Assistance Program, including up to five (5) face-to-face visits per family member

Transcarent Benefits

All IAFF HWT plans include:

- **The Surgery Care Program** – access to best-in-class Centers of Excellence all over the country for 100+ different surgeries
- **Virtual Physical Therapy** – access to unlimited sensor-based physical therapy benefits
- **The Everyday Care Program** – access to 24/7 Health Coaching, expert second opinions and more!
- **The Oncology Care Program** – a new end-to-end experience for members who experience a cancer diagnosis



IAFF Health & Wellness Trust

PROGYNY FERTILITY

New August 2023: IAFF HWT partners with Progyny to bring Trust Members a comprehensive and inclusive fertility and family building benefit.

Progyny Benefits Include:

- Comprehensive treatment and medication coverage
- Access to a premier network of fertility specialists
- Genetic testing and other advanced technology
- Personalized guidance and support from a dedicated Patient Care Advocate (PCA)

Common ways to use a Smart Cycle:



IVF Fresh Cycle



IVF Freeze-All Cycle



Frozen Embryo
Transfer (FET)



Intrauterine
Insemination (IUI)
or Timed
Intercourse



Pre-Transfer
Embryology Services



**IAFF Health &
Wellness Trust**

FIRE FIGHTER PHYSICALS

The IAFF HWT partners with Life Scan Wellness Centers to bring Trust members on-site NFPA 1582/1583 Physical Exams and Wellness Fitness Evaluations

- “Opt-In” via Special Agreement
- Trust pays full cost of base exam for each eligible Fire Fighter
- Life Scan comes onsite and requires use of three rooms and a treadmill
- Additional services are available for direct employer pay (ex: heavy metal screening, chest x-ray, etc.)
- New groups are eligible after 12 months of participation in the Trust



**IAFF Health &
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RETIREE BENEFITS

Access to quality Retiree benefits was one of the primary motivations in starting this plan.

- Non-Medicare Retirees must be attached to a Participating Local
 - Ongoing access for Surviving Spouse
 - Same plan design(s) as Actives + additional options
- Medicare Plans are available to any IAFF retired fire fighter/spouse regardless of Active group participation
 - Must be enrolled in Medicare Part A and Part B
- Direct bill from Trust via Employer bill, pension deduction (where available) or ACH



**IAFF Health &
Wellness Trust**

TRUST MEDICARE PLANS

	2024 IAFF HWT MAPD HIGH Option	2024 IAFF HWT MAPD LOW Option	2024 Medicare Supplement Plan G
MEDICAL			
Monthly Premium	\$353.44	\$216.10	\$225.89
Carrier	Humana	Humana	TransAmerica
Type of Plan	Medicare Advantage (MAPD)	Medicare Advantage (MAPD)	Medicare Supplement
Provider Network	Any Provider who accepts Medicare	Any Provider who accepts Medicare	Any Provider who accepts Medicare
Deductible	\$0	\$0	\$240 (Part B Only)
Preventive	Covered in Full	Covered in Full	Covered in Full
PCP Visit	Covered in Full	Covered in Full	Covered in Full
Inpatient Hospital	Covered in Full	Covered in Full	Covered in Full
Skilled Nursing Facility	Covered in Full	Covered in Full	Covered in Full
PRESCRIPTION DRUGS			
Tier 1 Generics	\$0 Copay	\$5 Copay	None
Tier 2 Preferred Brand	\$0 Copay	\$35 Copay	None
Tier 3 Non-Preferred Brand	\$0 Copay	\$75 Copay	None
Tier 4 Specialty	\$0 Copay	33% Cost Share	None
OTHER			
Vision Exam	Covered in Full	Covered in Full	Covered in Full <i>(Davis Vision providers Only)</i>
Vision Hardware	\$150 every 12 months	\$150 every 12 months	Davis Vision discounts only
Hearing Aids	\$500 every 36 months	\$500 every 36 months	EPIC Hearing discounts only
Silver Sneakers	Included	Included	Not Included



IAFF Health & Wellness Trust

VEBA ADMINISTRATION

IAFF HWT partners with BPAS to bring Trust members unique funding solutions through VEBA administration

- Starting at \$5.50 PEPM + 35 bps per year
- Investment earnings via target or self-directed funds
- Each participant gets two (2) “Benny Cards”
- Direct integration with MagnaCare allows for auto-adjudication of all medical and Rx claims
- Best of all – no set up fees!



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- Plan Features
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THE IAFF MERP

A *RETIREE MEDICAL TRUST (RMT)* IS A PARTIAL SOLUTION TO HELP IAFF MEMBERS PLAN FOR MEDICAL EXPENSES IN RETIREMENT

MERP PROVIDES A TAX-SHELTERED, *LIFETIME* MONTHLY BENEFIT TO FIRE FIGHTERS FOR REIMBURSEMENT OF MEDICAL EXPENSES



WHAT IS A RETIREE MEDICAL TRUST (RMT)?

Reimburses retirees for out-of-pocket healthcare related expenses

- Medical/Medicare/Dental/Vision/Long Term Care Insurance Premiums
- Lasik eye surgery, hearing aids, prescription drugs
- Any other IRS 213(d) eligible expense
- May cover retiree, legal spouse and IRS-eligible dependents

Triple Tax Indemnity

- Plan is funded with pre-tax money
- Earnings on contributions are accrued on a non-taxable basis
- Benefits are tax-free under IRS Section 105



IAFF MERP
MEDICAL EXPENSE
REIMBURSEMENT PLAN

TRUST HISTORY & GOVERNANCE

Created by the Washington State Council of Fire Fighters (WSCFF) in 1999.

Current governance through a Board of thirteen (13) Fire Fighter Trustees from Participating Locals.

Partnership with IAFF beginning in 2022

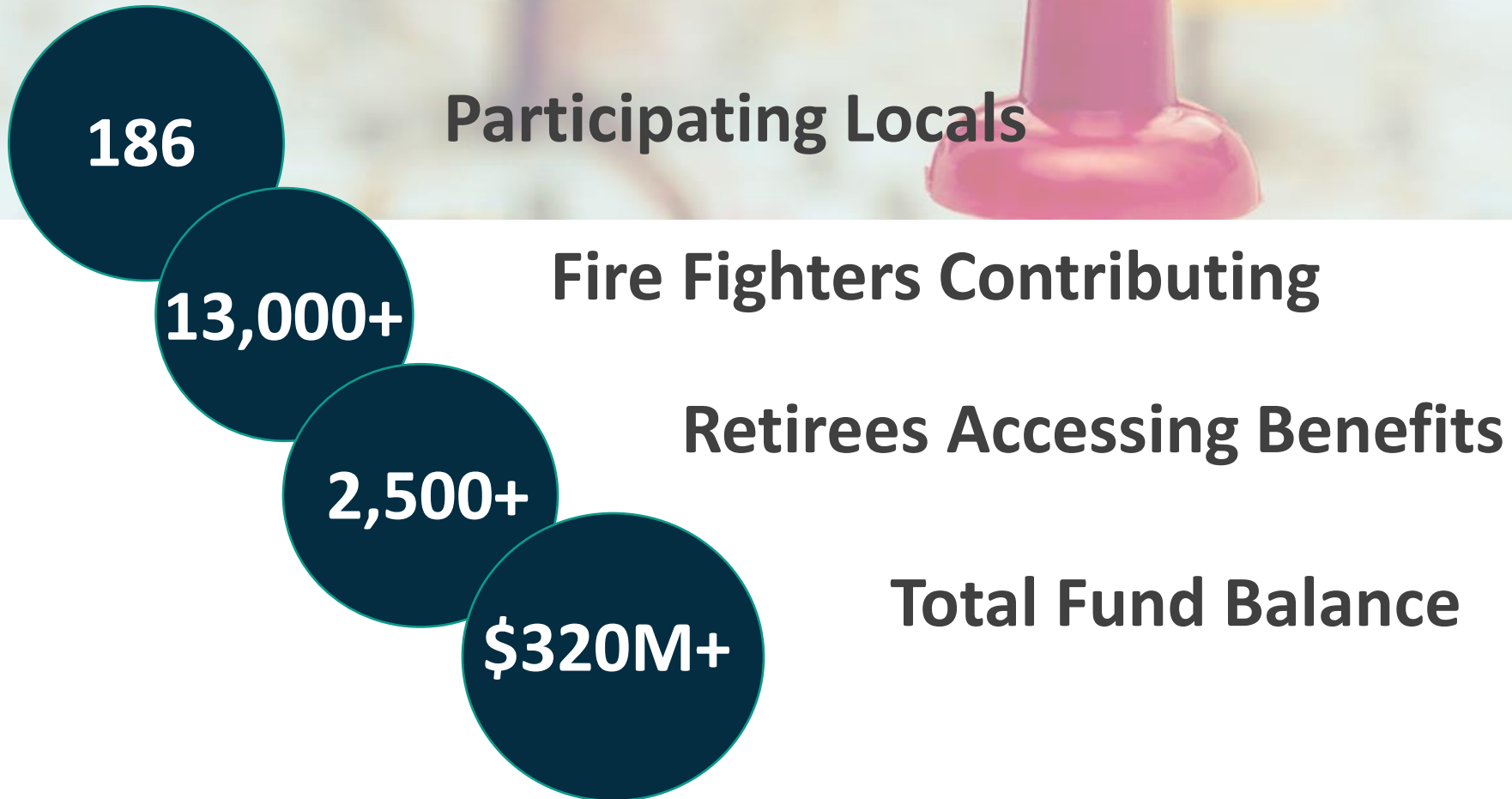
- Trust now referred to as the “IAFF MERP”
- Trust added four (4) appointed Trustee positions (IAFF DVP, Eastern, Western and At-Large)

Trust Advisors have served Board since plan inception

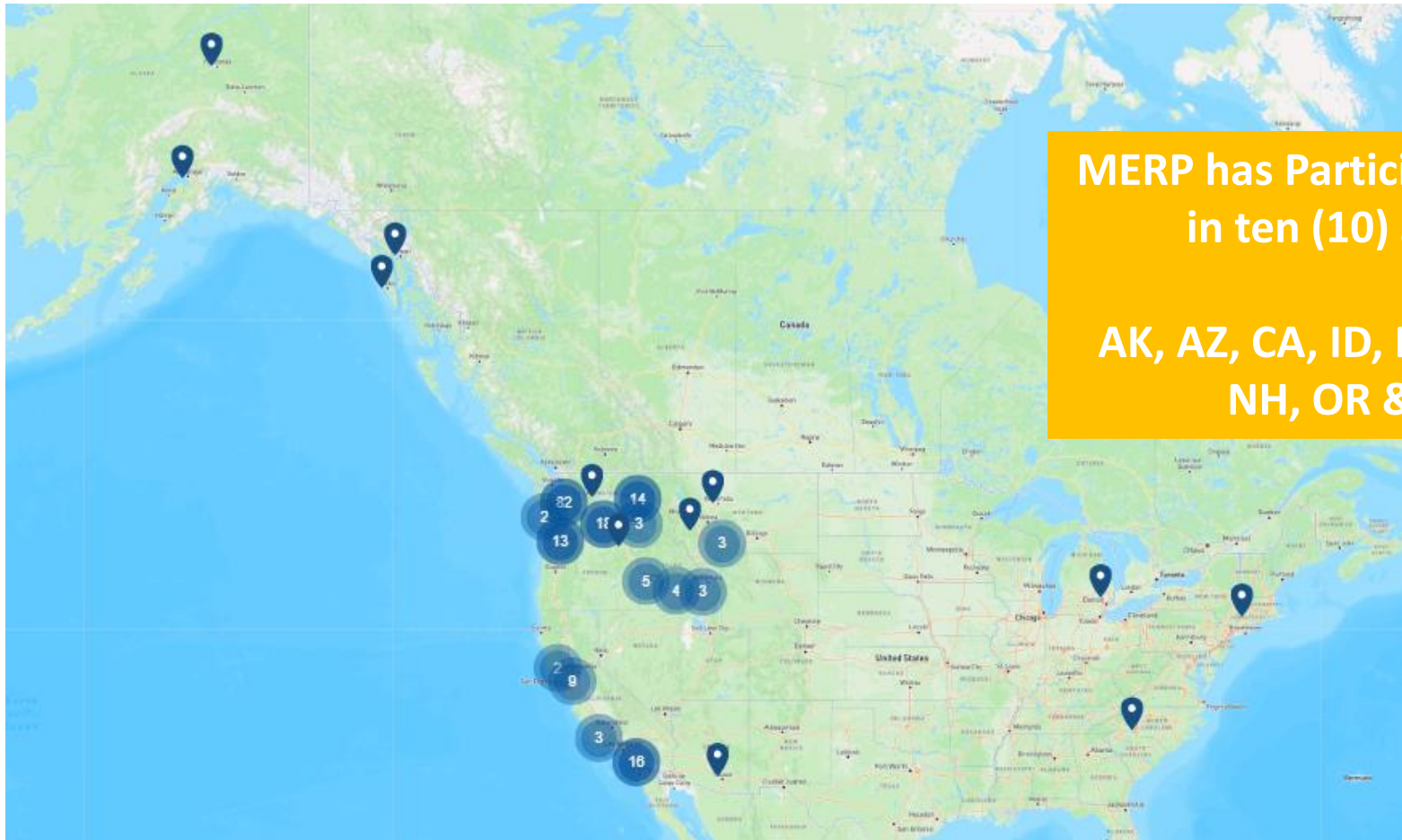
- Trust Consultant – DiMartino Associates
- Legal Counsel – Wagner Law Group
- Trust Administrator – Vimly Benefit Solutions



2024 IAFF MERP PARTICIPATION



2024 IAFF MERP PARTICIPATION



**MERP has Participating Local
in ten (10) States!**

**AK, AZ, CA, ID, MI, MT, NC,
NH, OR & WA**



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WHAT IS A RETIREE MEDICAL TRUST (RMT)?

Completely Tax-Sheltered

Entire Bargaining Unit (or Eligible Class) must participate

- No individual election
- Defined Eligible Classes are permissible

Pre-Tax Contributions are made on behalf of active employee

- Employer Contributions
- Mandatory Employee Contributions
- Contributions in Lieu
- Sick/Vacation Leave Transfer
- Retiree Contributions
- Other Lump Sum Transfers



Contributions are pooled and held in a Trust*

* Lump sum transfers can be directed to Individual Account rather than to the Pooled Account

Upon retirement, members receive regular benefit payments reimbursement of healthcare expenses which are *non-taxable* to the retiree

MERP IS A *LIFETIME* MONTHLY BENEFIT FOR THE ELIGIBLE RETIREE.



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DEFINED ELIGIBLE CLASSES

Contribution Models

- **Level Across Bargaining Unit** – all members contribute same amount
- **Tiered Based on Length of Service** – Contributions increase with years of service

Example

- Less than 10 Years of Service: \$150/month
- Between 10-20 years of service: \$300/month
- 20+ years of service: \$400/month

- **By Defined Class** – Contribution levels by Date of Hire

Example

- Members hired on or before January 1, 2010: \$150/month
- Members hired after January 1, 2010: \$300/month



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CONTRIBUTION AMOUNT

How much is the Monthly Contribution Amount?

- Minimum contribution is \$75/month. There is no maximum monthly contribution limit.
- Contributions can be a flat dollar amount, or a percentage of a specific step pay level (Ex: 2% of TSFF)
- Contribution amount must be the same across the entire bargaining unit (or Defined Eligible Class)
- Current contributions range from \$75/month all the way up to \$800/month



ACTIVE SERVICE UNITS

How is the Monthly Benefit determined?

Your monthly benefit is based on the total number of Active Service Units (ASU) accrued throughout your career.

One (1) ASU is earned for every \$25 contributed to the plan on your behalf.

Example: \$200/month contribution = 8 ASU per month (or 96 ASU per year)



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THE UNIT MULTIPLIER

How is the Monthly Benefit determined?

The Unit Multiplier (UM) is actuarially determined based on plan design/assumptions, contributions, administrative expenses, plan demographics and investment performance.

The UM can, and will, change over time.

$$\text{Your Monthly Benefit} = \text{ASU} \times \text{UM}$$

Effective 7/1/2015, the UM is \$0.41



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SAMPLE MERP BENEFITS

Estimated Monthly Benefit (UM = 0.41)					
Monthly Contribution	# of ASU per Month	10 Years	15 Years	20 Years	30 Years
\$100	4	\$196.80	\$295.20	\$393.60	\$590.40
\$200	8	\$393.60	\$590.40	\$787.20	\$1,180.80
\$300	12	\$590.40	\$885.60	\$1,180.80	\$1,771.20
\$400	16	\$787.20	\$1,180.80	\$1,574.40	\$2,361.60

Above Benefit Levels assume a Limited Survivor Benefit option is chosen.



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SAMPLE CALCULATIONS

Fire Fighter #1 - \$200 contribution for 10 years

$$\begin{aligned} \$200 &= 8 \text{ ASU per month} \times 12 \times 10 \text{ years} = 960 \text{ ASU} \\ 960 \times .41 &= \mathbf{\$393.60} \text{ monthly benefit} \end{aligned}$$

Fire Fighter #2 - \$200 contribution for 10 years; Local votes to increase contribution to \$300 and FF contributes this for 5 years; 15 total years of contributions

$$\begin{aligned} 8 \times 12 \times 10 \text{ years} &= 960 \text{ ASU} \\ 12 \times 12 \times 5 \text{ years} &= 720 \text{ ASU} \\ 960 + 720 &= 1,680 \text{ total ASU} \times .41 = \mathbf{\$688.80} \text{ monthly benefit} \end{aligned}$$

Fire Fighter #3 - \$200 contribution for 10 years; Local votes to increase contribution to \$300 and FF contributes this for 15 years; 25 total years of contributions

$$\begin{aligned} 8 \times 12 \times 10 \text{ years} &= 960 \text{ ASU} \\ 12 \times 12 \times 15 \text{ years} &= 2,160 \text{ ASU} \\ 960 + 2,160 &= 3,120 \text{ total ASU} \times .41 = \mathbf{\$1,279.20} \text{ monthly benefit} \end{aligned}$$



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CONTRIBUTION VS BENEFIT PAYOUT

Fire Fighter #1 – Contributed \$24,000 throughout their career and receives a benefit of \$393.60/month.

$$\$24,000 / \$393.60 = 61 \text{ months}$$

Fire Fighter #2 – Contributed \$42,000 throughout their career and received a benefit of \$688.80/month.

$$\$42,000 / \$688.80 = 61 \text{ months}$$

Fire Fighter #3 – Contributed \$78,000 throughout their career and receives a benefit of \$1,279.20/month.

$$\$78,000 / \$1,279.20 = 61 \text{ months}$$

Based on the current UM (\$0.41), if you access your full benefit for *just over five (5) years*, you will receive 100% of your active monthly contributions* back in benefit payout.

* Does not apply to converted Lump Sum Transfers



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LIFETIME BENEFIT ELIGIBILITY

To be eligible for the Lifetime Benefit, Retiree must:

- Be at least 53 years old*,
- Have at least five (5) years [or 60 months] of contributions, and
- Have separated service from the participating employer group

***Early Benefit Access:** MERP allows early access (prior to age 53) of benefit with the following criteria:

- You must meet your State's definition of Retirement or Disability Retirement
- Your Early Benefit will be based on an actuarial table which reduces your lifetime monthly benefit - actuarial value of the benefit is the same as if you had waited until age 53
- Electing to take your MERP benefit early is optional – members can choose to wait until age 53 when their benefit will be whole



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LIFETIME BENEFIT ELIGIBILITY

What if Retiree doesn't have five (5) years of participation?

COBRA

- Post-tax, self-payments for up to 18 months

Short Service Benefit

- You have access to a benefit for the reimbursement of Covered Expenses until you have recouped all contributions made to the plan on your behalf. There is no lifetime benefit.
- Short Service benefits may start immediately upon separation

Lump Sum Transfers (Requires Local bargaining language)

- Lump Sum Transfer (ex: sick / vacation leave) can be converted into Active Service Units
- Can only be used to buy "Active Service" when converted at separation
- Employee (or Retiree) must be prohibited from receiving any portion of the Lump Sum Transfer in cash



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LUMP SUM TRANSFERS

Lump Sum Transfers may come across to MERP in two ways (elected by individual at the time of transfer):

Option 1: Conversion to ASU - The cost per ASU is determined by member's age at the time of conversion. This option *increases* the **Lifetime Monthly Benefit**.

Option 2*: Lump Sum Transfer to **Individual Account**. Funds in the Individual Account can be accessed immediately following retirement.

*Lump Sum Transfers do not purchase "time" in MERP unless converted to ASU (at separation only)

DEFAULT - if Not Positively Elected

- **Under Age 40 at time of Transfer:** Full amount will be converted to ASU using the age conversion table
- **Age 40 or older at time of Transfer:** Full amount of Lump Sum will be transferred to the Individual Account.



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LUMP SUM TRANSFERS

Age at Time of Conversion	Cost per ASU	Age at Time of Conversion	Cost per ASU
24	\$9.84	40	\$27.59
25	\$10.49	41	\$29.43
26	\$11.19	42	\$31.38
27	\$11.94	43	\$33.47
28	\$12.73	44	\$35.70
29	\$13.58	45	\$38.07
30	\$14.48	46	\$40.60
31	\$15.45	47	\$43.30
32	\$16.48	48	\$46.18
33	\$17.57	49	\$49.26
34	\$18.74	50	\$52.53
35	\$19.99	51	\$56.02
36	\$21.32	52	\$59.75
37	\$22.74	53	\$63.72
38	\$24.25	54	\$63.00
39	\$25.87	55	\$62.23



LUMP SUM TRANSFERS

Example: Sick / Vacation Leave Transfer

Local can define % of Sick / Vacation Leave – same rule must apply to all members while language is in place

- Leave may be transferred annually or at separation
- Leave may be used to purchase COBRA at \$25/ASU
- Local may offer members a choice between transfer to MERP or to Deferred Comp (or VEBA, if available) – a cash out option can not be offered



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LEAVE TRANSFER EXAMPLE

Fire Fighter with \$15,000 (tax-free) of leave to convert into MERP at separation, retiring at age 53, with active contributions of \$150 / month at the time of separation

Option 1: Conversion to ASU

- Retiree elects COBRA @ \$150 / month for 18 months: $\$2,700 / \$25 = 108$ ASU
- **Remaining Cash Value to Convert:** $\$12,300 / \$63.72^* = 193$ ASU
- Fire Fighter receives 301 additional ASU from sick leave cash value; equates to another \$123.41 added onto the Lifetime Monthly Benefit

Option 2: Transfer to Individual Account

- Retiree would have access to the entire \$15,000 cash value on day 1 of retirement

Option 3: Hybrid Conversion

- Retiree elects COBRA for 18 months using \$2,700 to purchase 108 ASU
- Remaining \$12,300 is transferred into the Individual Account
- Lifetime Monthly Benefit is increased by \$44.28 / month
- This option is only available at separation



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INDIVIDUAL ACCOUNTS

Your Lifetime Monthly Benefit will be paid out of the Trust's Pooled Account.

Individual Accounts will be funded, as applicable, by:

- Lump Sum Transfers (except those converted to ASU)
- Retiree Contributions (must be bargained or similar)
- Investment Earnings/Losses on Individual Account

MERP has six (6) established investment options

Selection of investment options occurs during the annual investment selection period.

* Initial investment selection made within 30 days of Individual Account being established



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SURVIVOR BENEFIT

Survivor Benefit is payable when:

- Fire Fighter would have otherwise been eligible for the Lifetime Monthly Benefit (i.e.; meets definition of retirement)
- If FF was not yet eligible for Lifetime Benefit, Survivor is entitled to a 24-month Bridge Benefit; benefit then suspended until FF would have attained Lifetime Benefit eligibility
- Survivor of a “Short Timer” has access to 100% of FF’s contributions for reimbursement of eligible medical expenses



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SURVIVOR BENEFIT

Survivor Benefit Amount: 50% of Eligible Retiree Benefit – must be paid to a tax dependent

NEW Survivor Benefit Options:

Option A: Lifetime Surviving Spouse Benefit (Default) – Under this option, the Eligible Retiree's Monthly Benefit Level is actuarially reduced based on Retiree's age at retirement.

Option B: Limited Surviving Spouse Benefit – Surviving Spouse benefit payable to Medicare Eligibility of the Surviving Spouse without an actuarial reduction to Eligible Retiree's Monthly Benefit Level.



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SURVIVOR BENEFIT - EXAMPLE

Option A – Lifetime Survivor Benefit - *Default*

Option 1: Level Benefit Constant Benefit Level = \$560.88 <i>*Default Option</i>	Option 2: Accelerated Benefit Pre-65 Benefit Level = \$672.56 Post-65 Benefit Level = \$448.37
Option 3: Accelerated Benefit Pre-65 Benefit Level = \$746.93 Post-65 Benefit Level = \$373.46	Option 4: Accelerated Benefit Pre-65 Benefit Level = \$839.78 Post-65 Benefit Level = \$279.93

Retired Age 57
15 years in MERP
@ \$200 / month

Option B – Limited Survivor Benefit (to age 65)

Option 1: Level Benefit Constant Benefit Level = \$590.40 <i>*Default Option</i>	Option 2: Accelerated Benefit Pre-65 Benefit Level = \$707.96 Post-65 Benefit Level = \$471.97
Option 3: Accelerated Benefit Pre-65 Benefit Level = \$786.24 Post-65 Benefit Level = \$393.12	Option 4: Accelerated Benefit Pre-65 Benefit Level = \$883.98 Post-65 Benefit Level = \$294.66



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HOW ARE BENEFITS RECEIVED

You must incur an expense and have proof of the expense.

- Submit proof of expense to the Trust Administrator via online portal, fax, email or mail
 - Can batch expenses monthly, quarterly, annually or as needed
- Trust Administrator will verify that expense is eligible for reimbursement and direct deposit funds to Fire Fighter's account of choice
- Any unused benefit amounts will credit to your Accumulated Benefit account for later use, whenever you need them. Indefinitely.
 - Anything remaining in your Accumulated Benefit (and in your Individual Account) following your death will be passed on to your Survivor for complete spend down



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THE TRUST OFFICE

Vimly Benefit Solutions is the “Trust Office”

- Contribution Reporting + Eligibility Management
- Retiree Benefit Administration
- Benefit Calculation Assistance
- MERP Online Portal (SIMON)

WSCFF Medical Expense Reimbursement Plan

The screenshot displays the user interface for the WSCFF Medical Expense Reimbursement Plan. It features a navigation menu with icons for 'Get Started', 'Contact Us', 'How To' Videos, '2023 Annual Verification', 'Documents', 'Summary Plan Description', 'WSCFF', 'Summary Annual Report', and 'WSCFF Participating Employers'. The main content area includes three sections: 'Calculate Estimated Monthly Benefit Amount at Retirement' with a 'Calculate' button, 'My Account Balance (Individual)' showing a balance of \$0.00, and 'My Accumulated Benefit' showing an unused benefit of \$0.00. A 'View My Statement' button is located at the bottom of the accumulated benefit section.

Calculate Estimated Monthly Benefit Amount at Retirement

This screenshot shows a detailed view of the retirement benefit calculator. It includes a form for 'EXPECTED RETIREMENT DATE' (05/05/2022) and an option for 'Anticipated sick leave / vacation'. A 'Calculate' button is present. Below the form is a table of inputs and outputs:

MONTHS UNTIL RETIREMENT (OPTION 1)	8	ACCELERATED ESTIMATED BENEFIT	
AGE AT RETIREMENT	62yr 11mo	OPTION 2	
CONTRIBUTIONS TO DATE	\$15,750.00	PRE-65	\$383.39
ESTIMATED ADDITIONAL CONTRIBUTIONS BY RETIREMENT	\$1,200.00	POST-65	\$255.59
ESTIMATED EARNED ASUs BY RETIREMENT	48	OPTION 3	
ESTIMATED TOTAL EARNED ASUs BY RETIREMENT	678	PRE-65	\$473.14
		POST-65	\$236.57
		OPTION 4	
		PRE-65	\$617.90
		POST-65	\$205.97
LIFETIME ESTIMATED MONTHLY BENEFIT	\$277.98		

A disclaimer at the bottom states: "DISCLAIMER: All the information presented in regard to the calculator is for educational and resource purposes only. This calculator is a tool you can use to render an estimate based on the date you provide for commencement of MERP benefits, as well as current Plan terms. It may not represent what you will eventually receive as your final monthly benefit amount. Estimates rendered by this calculator are not binding on the Trust. These estimated calculations use the current Unit Multiplier and current Plan requirements. The Board of Trustees reserves the right to adjust the Unit Multiplier for calculating monthly benefit levels up or down at any time for some or all current and/or future Beneficiaries. The Trustees also have authority to modify the terms of the Plan at any time."



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THE TRUST OFFICE

NEW Contribution Reporting – required by July 1, 2024

- Traditional monthly billing invoice will be discontinued effective July 1
- Employers will be required to submit a Contribution Data Report allocating contributions to each participating member
- Outreach on new processes began in February and will continue monthly
- Contributions after July 1, will not be accepted without an accompanying Contribution Data Report
- Suggested updates to CBA language as contracts open



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SUMMARY OF MERP UPDATES

Takeaways...

- New Contribution Reporting requirements

MERP has a TON of new features.

- New ways to structure your contributions based on groups with varying needs
- Availability of Individual Accounts for certain types of funding strategies, including retiree contributions
- New guidelines for Lump Sum Transfers
- Option for Lifetime Surviving Spouse Benefit
- Reimbursement of eligible Pre-Tax expenses



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HOW TO JOIN THE IAFF MERP

Locals with Collective Bargaining: MERP must be bargained into your contract.

- Local Implementation Form
- Joinder Agreement
 - 3-way signed agreement: Trust, Employer and Local
- Copy of bargaining language or MOU
- Census Enrollment file

All bargaining unit members within the Defined Eligible Class must participate. Non-Local members cannot be excluded.

*Separate protocols for non-bargained groups that *limit* participation to Local members only



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MEDICAL EXPENSE
REIMBURSEMENT PLAN

SAMPLE BARGAINING LANGUAGE

SAMPLE MOU LANGUAGE FOR LEAVE TRANSFER TO IAFF MERP

1. **DEFINED CLASS OF EMPLOYEES RECEIVING CONTRIBUTIONS.** For this Section ___ of the Memorandum of Understanding, the "Defined Class" of employees receiving contributions to the Medical Expense Reimbursement Plan (hereafter, the "MERP") of the WSCFF Employee Benefit Trust (hereafter, the "Trust"), as set forth below, consists of all employees [or all employees hired after xx/xx/xx or all employees employed in X job classification] of _____ (hereafter, the "Employer") represented by the _____ (hereafter, the "Local").

2. **EMPLOYEE CONTRIBUTION AMOUNT.** The Employer and the Local agree that the Employer shall withhold a mandatory contribution of \$X00* per month [or per pay period] on a pre-tax basis from the pay of every employee in the Defined Class who is a member of the bargaining unit represented by the Local and shall transmit such contributions to the Trust pursuant to the requirements in Section 5 below. No employee in the Defined Class shall be permitted to opt-out of the mandatory contributions or receive any portion of the contribution in cash.

3. **SICK AND/OR VACATION LEAVE TRANSFER.** The Employer and the Local agree that the Employer will make the following mandatory transfers, on a pre-tax basis, to the Trust on behalf of every employee who is represented by the Local:

- a. **Mandatory Accrued Leave Contribution to Trust at Retirement.** For every employee who is represented by [Local], the Employer shall, upon the employee's retirement from the Employer and on behalf of the employee, irrevocably contribute to the Trust on a pre-tax basis, an amount equal in value to X% of the payments that would otherwise be paid to the employee for unused sick [and/or vacation] leave under this Memorandum of Understanding. [If less than 100%, add: The remaining Y% of the accrued leave payout entitlement under this Memorandum of Understanding shall continue to be paid in cash to the employee upon retirement.]
- b. **No Individual Employee Election.** The employee shall not have the option to receive a cash payout for the value of the accrued leave contributed to the Trust in lieu of making contributions to the Trust. In addition, the employee shall not have the option to contribute a larger or smaller percentage of accrued leave than the percentage indicated in Section 3(a) above.

[ALTERNATIVE SECTION 3 LANGUAGE TO ALLOW OPTION BETWEEN TAX DEFERRED PLANS]

3. **SICK AND/OR VACATION LEAVE TRANSFER.** The Employer and the Local agree that the Employer will make the following mandatory transfers, on a pre-tax basis, on behalf of every employee who is represented by the Local. The employer will make the following mandatory transfers of accrued leave to the plan selected by the

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employee, as long as the employee provides written notice of the selection at least ___ days prior to retirement date. The employee can select from the following plans for transfer of accrued leave: MERP; employee's deferred compensation account; or employee's _____ VEBA account. If an employee fails to timely notify the Employer's payroll department of the employee's election for the transfer, then the Employer will transfer all accrued leave, as designated below, to the MERP. If the employee selects to transfer the following accrued leave to the deferred compensation account, but all or a portion of the transfer exceeds the maximum allowable transfer to the deferred compensation plan, then the Employer will transfer that portion that exceeds the maximum deferred compensation contribution to the MERP.

a. **Mandatory Accrued Leave Contribution to Trust at Retirement.** For every employee who is represented by [Local], the Employer shall, upon the employee's retirement from the Employer and on behalf of the employee, irrevocably contribute to the Trust on a pre-tax basis, an amount equal in value to X% of the payments that would otherwise be paid to the employee for unused sick [and/or vacation] leave under this Memorandum of Understanding. [If less than 100%, add: The remaining Y% of the accrued leave payout entitlement under this Memorandum of Understanding shall continue to be paid in cash to the employee upon retirement.]

b. **No Individual Employee Election.** The employee shall not have the option to receive a cash payout for the value of the accrued leave designated for contribution to a plan pursuant to this Section. In addition, the employee shall not have the option to contribute a larger or smaller percentage of accrued leave than the percentage indicated in Section 3(a) above.

4. **EMPLOYER CONTRIBUTION AMOUNT.** The Employer shall make a mandatory contribution of \$X00* per month [or per pay period] on a pre-tax basis for every employee in the Defined Class. No employee in the Defined Class shall be permitted to opt-out of the mandatory contributions or receive any portion of the contribution in cash.

[Employer contribution amount does not have to match employee contribution amount.]

5. **REMITTANCE OF CONTRIBUTIONS.** The Employer shall remit the above accrued leave contributions directly to the Trust for the duration of the Memorandum of Understanding. Those contributions shall be remitted directly to the custodian of the Trust within 30 days of the date the payment would have been payable to the employee.

The Employer hereby acknowledges receipt of the Trust Agreement governing the Trust and will comply with rules set by the Trust Office in regard to reporting and depositing the required contributions set forth herein.

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[The Local negotiating team should deliver a copy of the Trust Agreement to the Employer, and keep evidence of doing so, e.g., a signed receipt from the employer.]

6. **REPORTING TO TRUST OFFICE.** The Employer shall electronically submit to the Trust Office a monthly [or per pay period] report of contributing employees for each contribution sent to the Trust, in the format requested by the Trust, and received by the Trust Office within five (5) days of receipt of the contribution funds.

The Employer shall also provide an initial report of information for all contributing employees, as reasonably requested by the Trust, and shall send updates to this information to the Trust Office whenever the Employer has notice of changes to the information.

7. **MODIFICATION OF EMPLOYEE CONTRIBUTION AND LEAVE AMOUNTS.** The Employer and the Local agree that the Local has the right, subject to approval of its members according to the Local's internal rules, to prospectively modify the amount of the mandatory employee monthly contribution (Section 2), or the percent of the mandatory employee leave contribution (Section 3) during the course of this Agreement, so long as the modification is mandatory for all employees covered by this Agreement.

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NEXT STEPS

Interested in joining IAFF MERP, or looking to update your contribution strategy? We suggest the following next steps:

- Set up a meeting with the Trust and your Local Executive Board to review the plan again
- Determine what contribution strategies will work best for your Local and whether any carve-outs of the population would be beneficial
- Draft/revise proposed contract language (or an MOU) for upcoming negotiations
- Develop a plan for educating members on the program and its benefits – can include virtual and/or in-person meetings, station visits, etc.
- Use the Trust Consultants as a resource to help you through each of the above steps



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YOUR TRUST TEAMS

The Trust Office

- Dedicated Member Service call center
- Online billing, eligibility and enrollment platform
- COBRA and Retiree plan administration

Trust Consultants

- Hands-on Member education and communication
- Plan governance and compliance services
- Full plan consulting

Trustees

- Engaged and experienced Trustees who ensure the Trust is run efficiently and with Members' best interests always in mind



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**IAFF Health &
Wellness Trust**

GET MORE INFORMATION

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www.IAFFHealthTrust.org

www.IAFFMERP.org



**IAFF Health &
Wellness Trust**



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