

What you need to know about the East Bay Regional Park District RHS transitioning to Empower and Optum/BPAS in March 2024

What is happening?

The East Bay Regional Park District is moving to Empower and East Bay Regional Park District's Retiree Health Savings Plan (RHS) is moving to Optum/BPAS March 2024. This move will happen automatically; you do not need to take any action for your account to transfer.

Why are we moving from MissionSquare?

At East Park Regional Park District, we are committed to providing a retirement plan that reflects industry best practices. After a comprehensive selection process and thorough evaluation of vendors, we chose Empower and Optum as the companies that offered the best fit for our plans. This change is designed to strengthen the plans, provide new plan enhancements, and help you pursue your retirement savings goals more effectively.

Who is Empower?

Empower is the second-largest retirement recordkeeping services company in the United States¹ and a recognized leader in the retirement plan marketplace. Empower serves more than 18 million individuals and over 82,000 plans.² Its core operating principles are trust and integrity, and its sole focus is helping Americans achieve the future they imagine. They strive to meet the unique needs of each person they serve and embrace the opportunity to inspire them along their journey. Visit empower.com to learn more.

elections at your current recordkeeper by your respective blackout start dates. Once the transfer is complete, you may transfer your assets to any of the plan's investment options.

Who is Optum/BPAS?

Optum was founded in 2011 as health technology services provider advancing the way employers save, pay and invest for health care. Our focus is to bring participants tax advantaged accounts and decision support tools that help them to become the best stewards of their health and financial well-being. Optum Financial has grown into one of the nation's largest health and benefit account businesses. As an integrated retiree health savings solution, Empower has established a formal relationship with Optum and their subcontracted trustee/custodian BPAS, to offer Retiree Health Savings Account (RHS) services to clients.

Retiree Health Savings Plan FAQ

What is a Retiree Health Savings Plan (RHS)?

An RHS is an employer-sponsored tax-exempt medical benefit plan through which you can get reimbursed tax-free for your eligible out-of-pocket medical or dental expenses (i.e., expenses that are not paid for by insurance or any other benefit plan). RHS plans operate under specific provisions of the Internal Revenue Code (IRC), and reimburse for health expenses of the participant, spouse, and qualified dependents during retirement.

How does the East Bay Regional Park District RHS Plan work?

Eligible employees will receive sick leave payout contributions into the RHS on a pre-tax basis. Reimbursements for medical

expenses after retirement are also tax-free. The RHS reimburses out-of-pocket healthcare costs (including but not limited to insurance premiums, co-pays and deductibles, prescription costs, Medicare Part B premiums, supplemental insurance premiums, and most over-the-counter medications and supplies, etc.) incurred by employees, their spouses, and qualifying dependents. A more comprehensive list of eligible expenses is available for your review. As a defined contribution plan, the only funds available in the RHS are the contributions made while employed and any investment returns on those funds. Once the funds in the RHS are exhausted, the employee will no longer be reimbursed for their eligible healthcare expenses.

Does the RHS include dental benefits?

An RHS participant may use their funds to reimburse eligible dental costs.

Will an individual be able to contribute more?

No, employees cannot elect to contribute to the RHS Plan; however, an employee may make contributions into the voluntary deferred compensation plan. It is important to note that the deferred compensation plan is not specifically for retirement medical costs and withdrawals from the plan may be subject to taxation, even if used for medical expenses.

How do I log in to my account?

You will use optumfinancial.com for almost all of your account activities — balance information, claims, transaction history, payment card activity, accessing investments, FAQs and more. Your account balance is also viewable from Empower’s website (empowermyretirement.com) and access to your RHS account is easy and seamless via single sign-on.

Can I see my RHS account via my Empower deferred compensation account?

Yes, RHS participant balances will be updated and available each business day on the Empower participant website as well as the integrated voice response system. In addition, the RHS balance will be added to the assets used in the calculation of the Lifetime Income ScoreSM to give participants a more holistic view of their progress toward their retirement savings goals. From the Empower participant website, participants will be able to use single sign-on over to Optum’s site without the need for a separate logon ID or password.

How will an individual’s eligible medical expenses be reimbursed?

The RHS recordkeeping and claims administration is provided by Optum. Once you are claims eligible, claims can be paid using a provided debit card and any receipts can be submitted by mobile phone, fax, email or online using Optum’s website optumfinancial.com.

What are “qualified eligible medical expenses”?

RHS participants and eligible dependents are eligible to be reimbursed for all medical expenses as defined by IRC Section 213(d) including expenses and certain insurance premiums. Examples of eligible expenses include:

- Premiums for post-employment medical, dental, vision, Medicare Part B, Medicare Part D, Medicare Advantage Plans, and Long-Term Care Insurance premiums
- Deductible expenses (the part of covered expenses you pay before your health or dental plan pays any benefits) or co-insurance amounts (the percentage of covered expenses you must pay, if any, after the deductible requirement has been met)
- Prescription drugs/copayments and OTC medications
- Medically necessary equipment or supplies
- Dental procedures (non-cosmetic)
- Vision care expenses, such as eye exams, eyeglasses/contacts, lens solution, laser surgery

Is there an RHS contribution limit?

There is no IRS limit on the amount that can be contributed to an RHS Plan on an annual basis.

What are the key benefits of an RHS account?

The RHS Plan allows employers to make tax-free contributions to save on eligible employee retiree healthcare expenses. An individual will not pay tax on their contributions, earnings, or reimbursements for claims.

Can I have a Health Savings Account at the same time as the RHS?

Yes. An employee can have both an HSA and the RHS. The HSA can be used for eligible medical expenses at any time. The assets in the RHS cannot be used until the employee retires from service. Please note that an HSA is subject to applicable laws and contribution limitations.

How are the funds in the RHS invested?

Employees can self-direct the investments of their individual RHS accounts by selecting their own portfolio based on the investment options available.

Is the RHS an annual "use it or lose it?"

No, an individual's account balance carries over from year to year.

Will my survivors be able to use the funds in the RHS account?

If an individual passes away with funds remaining in their RHS account, the funds may continue to be used by their surviving spouse and qualified dependents (children under the age of 26) for eligible medical expenses. If an individual passes away and has no eligible survivors, the remaining funds would be forfeited. The executor of their estate may spend down any remaining funds for any unreimbursed medical claims they may have incurred prior to their death.

If I leave East Bay Regional Park Districts service, can I roll my RHS balance into another RHS Plan or another qualified retirement plan?

No, the funds in your RHS account must remain in the East Bay Regional Park District's plan and are not available until the employee meets the plan's claims eligibility.