

VEBA/HRA Services



BBP Admin
BENEFITS ADMINISTRATION
COBRA, FMLA, FSA, HRA, HSA, PAYROLL, TRANSIT
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BBP Admin delivers a complete suite of VEBA/HRA Services. With the continuous rising costs of both healthcare insurance and expenses, consumer-driven health plans are great tools for employers and employees looking to stretch their healthcare budgets and create a marketplace of informed consumers. What's more, these programs allow employers to enjoy significant additional tax advantages.

Key Features:

- The fully integrated BBP Admin platform provides all services under one roof. We act as claims administrator, daily valuation recordkeeper, clearing firm, and asset custodian.
- Free debit cards with smart-card technology and the ability to stack multiple plan types on one card.
- Convenient mobile app makes it easy for plan participants to view their account balance and file claim reimbursements right from their mobile phone (electronic capturing of receipts).
- Plan document and full plan compliance services help clients meet their compliance obligations.
- Robust, secure web portals allow participants and employers to easily manage their accounts online.

BBP Admin's VEBA/HRA Services can be an effective benefit strategy for many employers. However, they're particularly popular with municipal/public-sector employers, schools and universities, and Taft-Hartley union groups.

VEBA/HRA Services:

A Voluntary Employees' Beneficiary Association (VEBA) is a tax-exempt, irrevocable Trust under Section 501(c)(9) of the Internal Revenue Code. This type of trust is used as a vehicle for employers to fund certain types of benefits, including funded Health Reimbursement Accounts (HRA). A VEBA/HRA is usually funded solely by the employer, who makes pre-tax contributions to the Trust on behalf of employees, to pay for current and/or future medical healthcare expenses.

VEBA/HRA Possibilities:

A VEBA/HRA is one of the most flexible benefit plans—which make it attractive to many employers. Plans can be designed to suit specific employer and employee needs. Some common strategies used by employers include:

- Funding post-employment premiums and expenses for retirees
- Embedding the VEBA with an HDHP for active employees

- Holding healthcare and self-funding reserves for future medical expenditures as a Governmental Accounting Standards Board (GASB) 45 prefunding plan

The IRS permits the VEBA/HRA contributions and any associated investment earnings to be accumulated on a tax-free basis. Plus, as long as withdrawals are used to reimburse an eligible medical expense, the distribution is also considered tax-free to the employee—that makes for a triple tax advantage! Employers enjoy the benefit of tax savings since they do not pay FICA, Workers' Compensation or Unemployment insurance taxes on the contributions they make to the VEBA/HRA.

The flexibility of the VEBA/HRA offers several ways for employers to make contributions, including:

- Specific dollar amount made at specific intervals
- Percentage of wage (union groups)
- Accrued, unused sick-leave and/or paid time off buyback programs

Also, because the VEBA Trust is considered a separate legal entity, assets are protected from the creditors of the sponsoring employer.

How it Works:

Once contributions are made to the Trust, participants have the ability to invest their account balances in a menu of mutual-fund offerings similar to a retirement Plan. BBP Admin offers a an investment platform, enabling employers to use a menu of investments, while eliminating any conflicts of interest in fund selection.

Employees can use their VEBA/HRA funds for reimbursement of out-of-pocket eligible medical expenses. All medical expenses, as defined by the IRS Code Section 213(d), are eligible expenses under a typical VEBA/HRA arrangement. Employee account balances in the VEBA/HRA can roll over from plan year to plan year. This feature makes a VEBA/HRA one of the best tax-advantaged tools for employees to accumulate assets to pay for the rapidly rising costs of post-employment healthcare.

The free debit card is the most convenient way for participants to utilize their VEBA/HRA dollars. Participants simply swipe their card at the point of purchase and the funds are pulled directly from their VEBA/HRA account. In addition, claim reimbursement requests can be made online through our easy-to-use participant website or mobile app, or via fax or mail. BBP Admin provides all necessary plan documents and compliance work. We will work with you to design a customized VEBA/HRA plan that will meet your company's needs and objectives. Our easy-to-navigate plan sponsor website provides you with all the tools and resources to manage your VEBA/HRA plan, while streamlining administration and eliminating time-consuming paperwork.

BBP Admin offers a vertically integrated VEBA/HRA solution. With VEBA's BBP Admin does it all, which is extremely rare in the industry. That's why BBP Admin clients see it as a refreshing alternative to multi-vendor solutions out there.