

EMERITI REIMBURSEMENT BENEFIT

The IRS imposes a limitation (adjusted annually for inflation) on the amount of long-term care premiums that qualify as medical expenses. Therefore, there is an annual limitation on reimbursement of long-term care premiums that depends upon the age that the covered individual will be by the end of the calendar year. Amounts in excess of these limits cannot be reimbursed from the Emeriti Health Accounts:

*Figures for 2017

Age	Limit of Reimbursement
40 or younger	\$410
41 to 50	\$770
51 to 60	\$1,530
61 to 70	\$4,090
Older than 70	\$5,110

*Figures for 2018

Age	Limit of Reimbursement
40 or younger	\$420
41 to 50	\$780
51 to 60	\$1,560
61 to 70	\$4,160
Older than 70	\$5,200

(4) Who qualifies as a Dependent Relative for purposes of reimbursement of QMEs?

A Dependent Relative is an individual who receives over half of his or her support from the Participant, has the appropriate relationship with the Participant (*see below*), and is enrolled as the Participant’s Dependent Relative. This can be extremely important to a Participant with an elderly parent or disabled relative who is under the Participant’s care. The Plan allows reimbursement for Dependent Relatives with the following relationship to the Participant:

- child, grandchild, great grandchild, etc.
- sibling or stepsibling
- parent, grandparent, great grandparent, etc.
- stepparent
- aunt, uncle, niece, or nephew
- son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-law
- any other individual who lives in the Participant’s home for the Plan year and is a member of the Participant’s household

(5) When does coverage under the Reimbursement Benefit begin?

As long as a Participant satisfies any vesting requirements under the Plan, the Participant can access his or her Emeriti health accounts upon ceasing employment (1) if the Participant satisfies the requirements of Retirement Eligibility prior to ceasing employment or (2) when the Participant attains age 55.

However, a Participant may obtain early access to his or her accounts for Terminal Illness or Injury Expenses incurred by the Participant or an enrolled dependent (Spouse, Dependent Child, or Dependent Relative). In addition, a Participant may obtain early access to his or her accounts for QMEs incurred by the Participant and/or any enrolled dependents which are beyond insurance coverage and exceed \$15,000 in a single 12-month period.

In order to be eligible for reimbursement, a Participant must designate an individual as a dependent in accordance with the Plan procedures. It is important to note that the Plan is written to provide reimbursement to individuals who meet the definition of a dependent under Section 152 of the Internal Revenue Code. Therefore, it is imperative that the Participant only enroll those dependents who meet the definition of "Spouse," "Dependent Child," or "Dependent Relative." Enrolling an individual who is not eligible could result in adverse tax consequences for the Participant.