

# Benefits UPDATE



March 2019

## Frequently Asked Questions on the Health Reimbursement Account

### 1. What is an HRA?

**Answer 1:** On January 1, 2019, the Chicago Regional Council of Carpenters Welfare Fund (“the Plan”) introduced a Health Reimbursement Arrangement (HRA). The HRA administered by ConnectYourCare (CYC) is a tax-advantaged account. HRA funds can be used to pay for out-of-pocket health care costs for you and your eligible dependents. Eligible expenses include: medical and dental deductibles, co-payments and co-insurance, and certain dental, vision and hearing expenses that exceed Plan limits or are not covered by the Plan; and self-payments to continue your health care coverage under the Plan. For more information on eligible expenses, see IRS Publication 502: [www.irs.gov/publications/p502](http://www.irs.gov/publications/p502).

### 2. How does my HRA get funded?

**Answer 2:** Your HRA is funded by the Welfare Fund based on monthly contributions made by your employer for the hours that you work in covered employment. The more hours you work, the more contributions are credited to your HRA account.

### 3. When does my account get funded?

**Answer 3:** Contributions will be credited to your HRA account the month after they are received. For example, January work hours must be submitted and paid for by your employer by February 15<sup>th</sup>. A contribution file is then sent to CYC around the middle of March.

### 4. Do I need to be eligible for benefits to use my CYC debit payment card?

**Answer 4:** No. An HRA account will be set up for you automatically when funds are first available, however, you must be a **Member in Good Standing with your Local Union** (your dues must be current and not in arrears) to use those funds, otherwise your account will be frozen. Please note that once your account is frozen, you must wait until the following month for your account to be reactivated. For example, your account is frozen on March 10<sup>th</sup>. You pay your local union dues on March 15<sup>th</sup>. Your account will not become active again until April, sometime around the middle of month.

### 5. How does the HRA work?

**Answer 5:** If you are eligible to participate, you will receive information from the Fund Office. Then, you will receive two HRA debit payment cards in the mail.

Before you can use your **debit payment card**, you must **first activate** it by calling 800-844-2881. By activating one card, you will automatically activate the other.

Once activation of your debit payment card is completed, you then need to **register your HRA account** online by visiting [www.connectyourcare.com/crcchra](http://www.connectyourcare.com/crcchra). Once on the site, on the right hand side of screen, select “Login,” then “New User Registration,” and follow the steps.

After you have registered your account, **download the myCYC mobile app** to your smartphone or tablet. The app is **free**, secure, and available from the App Store (Apple) or Google Play (Android). Use the same user name and password that you used when you registered your online account.

## 6. When can I start using my debit payment card?

**Answer 6:** Once you have activated your CYC debit payment card, and registered your account, you are ready to start using your CYC debit payment card for healthcare expenses with dates of service on or after January 1, 2019; however, **you must be a Member in Good Standing with your Local Union** (your dues must be current and not in arrears).

## 7. How do I use the money in my HRA account?

**Answer 7:** You have several options for how to use your HRA account to pay for eligible health care expenses:

- Use your CYC debit payment card (up to the amount available in your account) by swiping it in a credit card reader at your pharmacy, doctor or dentist's office, vision care provider or any other health care provider who accepts debit payment cards.
- Pay up front and get reimbursed by submitting receipts for eligible expenses. CYC allows you to provide your banking information to elect to have the funds directly deposited into your bank account. Otherwise, CYC will mail a reimbursement check to you. You have until March 31 of the following year to submit expenses incurred in the prior calendar year (January 1<sup>st</sup> through December 31<sup>st</sup>). For example, if you have an expense in June 2019, you have until March 31, 2020 to submit it for reimbursement. See Question No. 9 for the fax number or address to submit receipts to CYC.
- Request that a payment be made directly to your provider by following the steps through the CYC mobile app or online at [www.connectyourcare.com/crcchra](http://www.connectyourcare.com/crcchra).

## 8. Can I use the HRA for expenses incurred prior to January 1, 2019?

**Answer 8:** No. The HRA was initially effective January 1, 2019. Under federal law, expenses incurred prior to the effective date are not eligible for reimbursement. Your CYC debit payment card should not be used to pay for expenses incurred **prior** to January 1, 2019.

**If you used your HRA account to pay for an *ineligible* expense, you have several options for repayment:**

1. You can submit receipts for eligible health care expenses until you have incurred enough *eligible* expenses to offset the *ineligible* expenses. If your account is not balanced by March 31 of the following year **your ineligible expenses become taxable income to you.**
2. You can send a check, cashier's check, or money order made payable to:

CYC Repayment Department  
P.O. Box 871095  
Kansas City, MO 64187-1095

Be sure to include the claim number on the memo line of the check. Using this repayment method, you will have the funds returned to your HRA account in 8 business days.

3. You can arrange for repayment via direct deposit (ACH) on CYC's online portal. Using repayment method, you will have the funds returned to your HRA account in 3 business days.

## 9. Do I need to keep receipts?

**Answer 9:** Yes. Whether you pay for your eligible expenses with your CYC debit payment card or out-of-pocket, you may need to submit your receipts to CYC. This is an IRS requirement. CYC will notify you via email or text if they need a receipt, provided you have set up your online account. **Unsubstantiated expenses will become taxable income to you if you fail to provide the required receipts or supporting documentation.** There are several ways to submit receipts:

1. Mobile App: Using your CYC mobile app, log in using your existing ConnectYourCare website username and password. Click "add new claim" from the main menu screen. Enter the requested information about your claim and continue through the screens to confirm and submit the claims. You can even take a picture of your receipts and upload them.

2. **Online:** Log in at [www.connectyourcare.com](http://www.connectyourcare.com) and follow the instructions on the main page to enter a new claim. Enter the requested information about your claim through the screens to submit the claims and required documentation.
3. **Mail or Fax a Paper Claim:** You can fax your receipts to: **443-681-4601** or you can mail your receipts to **ConnectYourCare, Attn: Claims Dept., P.O. Box 622337, Orland, FL 32862-2337**. Be sure to include:
  - Name of patient;
  - Date of Service;
  - Name and address of the service provider/merchant;
  - A description of the service or expense provided; and
  - Amount charged.

**10. Do I need to pay taxes on the money in my HRA?**

**Answer 10:** No. The IRS has determined that your HRA is a tax advantaged account. This means you don't have to pay taxes on the contributions into your account or the reimbursement from your account.

**11. Can I use my CYC debit payment card to cover self-pay premiums or to pay for continuation coverage under COBRA?**

**Answer 11:** Yes. However, you will need to pay the premiums up front and submit an invoice/receipt which includes the amount, as well as your name, to CYC.

**12. What if I don't spend all my money in my HRA by December 31<sup>st</sup>?**

**Answer 12:** No worries. The funds in your account roll over from year to year. This way, you can save funds to pay big expenses such as orthodontia, or perhaps to pay for health care costs for you and your spouse after you retire.

**13. Can my spouse and dependents continue to use my HRA if I die?**

**Answer 13:** Yes, as long as they remain eligible under the Plan.

**14. What if I stop working? Can I still use my HRA?**

**Answer 14:** If you leave covered employment or retire, as long as you remain a Member in Good Standing with your Local Union, you can continue to use your account until you deplete your balance.

**15. What happens if I am not a Member in Good Standing?**

**Answer 15:** You must be a Member in Good Standing with your Local Union in order to use your account; otherwise your account will be frozen until such time as the Fund Office receives notification of a change in status, which generally occurs around the middle of the following month.

**16. Can my HRA be forfeited?**

**Answer 16:** Yes, your HRA will be forfeited permanently if you:

- Do not return to a Member in Good Standing status with your Local Union within 12 months;
- Die and are not survived by any eligible dependents;
- Have an account balance less than the minimum required balance set by the Board of Trustees and there is no account activity for 24 consecutive months; or
- Elect to forfeit your account as permitted under the Affordable Care Act.