



# **CTA HEALTH CARE REIMBURSEMENT ACCOUNT PLAN SUMMARY**

**HRA Plan**

**for**

*Retirees, Former Employees and Their Survivors*

*2018 Edition*

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## Introduction

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The Chicago Transit Authority Retiree Health Care Trust ("RHCT") was established in 2008 to provide and administer health care benefits for eligible Chicago Transit Authority ("CTA") retirees and their dependents and survivors.

Benefits provided by the RHCT through the CTA Retiree Health Care Plan (the "Retiree Health Care Plan") currently consist of:

- Medical coverage (including prescription drug); and
- Dental coverage.

Information about available benefits is contained in the Enrollment Guide, which is available at [www.ctaretirement.org](http://www.ctaretirement.org) or from the Claims Administrator listed in the Contact Information section at the end of this Summary.

Effective January 1, 2018, the Board of Trustees established a Health Care Reimbursement Account Plan (the "HRA Plan") for the benefit of CTA retirees and former employees who contributed to the RHCT but who do not satisfy the eligibility requirements to participate in the Retiree Health Care Plan or who decline coverage under the Retiree Health Care Plan, and for their survivors. The HRA Plan reimburses participants for qualifying health care expenses.

This HRA Plan Summary ("Summary") describes the principal features of the HRA Plan and your rights and obligations under the HRA Plan as of January 1, 2018 the Plan's effective date.

The HRA Plan is administered through a Claims Administrator. Contact information for the Claims Administrator may be found in the Contact Information section at the end of this Summary.

The term "you" in this Summary refers to a CTA retiree or former CTA employee who is eligible to receive reimbursements under the HRA Plan. This term also refers to his or her Surviving Spouse, except as otherwise indicated.

The term "Surviving Spouse" in this Summary refers to the eligible spouse of a deceased CTA retiree or former CTA employee. See the Surviving Spouses section beginning on page 2 for more information.

The term "Plan Administrator" in this Summary refers to the Board of Trustees of the RHCT.

In the event of any inconsistencies between this Summary and the Trust Agreement or Bylaws or other governing Plan document, the Plan Administrator has discretionary authority to resolve such conflicts, and its determination will be binding. The terms of this Summary and the HRA Plan shall be construed in a manner consistent with applicable law, including 40 ILCS 5/22-101B, Section 105 of the Internal Revenue Code, and IRS Notice 2002-45, as amended.

As explained in the Amendment and Termination section on page 10, the Board of Trustees of the RHCT reserves the right to modify, amend or terminate the HRA Plan at any time. Therefore, the Board of Trustees does not intend for you to become entitled to any vested benefits under this Plan.

# Eligibility

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The Plan provides funds for reimbursement of health care expenses incurred by former CTA employees and retirees and their surviving spouses and dependents who meet the eligibility requirements as described in this Eligibility section. If eligible, you must enroll in order to receive benefits from the HRA Plan.

## **ELIGIBLE FORMER EMPLOYEES AND RETIREES**

You, as a former CTA employee or a retiree, are eligible to enroll in the HRA Plan if you contributed to the RHCT a portion of your pay, you are at least 65 years of age, and either:

1. You are not eligible to enroll in the Retiree Health Care Plan; or
2. You are eligible to enroll in the Retiree Health Care Plan but you decline coverage under that Plan prior to your retirement with the CTA.

You must be retired (no longer working for the CTA) before you can enroll in the HRA plan.

For information about Retiree Health Care Plan eligibility rules, please refer to the Plan Summary for the Retiree Health Care Plan available at [www.ctaretirement.org](http://www.ctaretirement.org) or from the Claims Administrator listed in the Contact Information section at the end of this Summary.

You must enroll in the HRA Plan in order to receive expense reimbursements. See Enrollment on page 3 for more information. If you have questions about eligibility, you may contact the Claims Administrator.

## **IF YOU AND YOUR SPOUSE ARE BOTH FORMER CTA EMPLOYEES**

If you and your spouse are former CTA employees and each of you is eligible for the HRA based on your own work with the CTA, you can enroll for each HRA and use those accounts for your family. You cannot claim the same expense twice.

If either of you is eligible for the Retiree Health Care Plan and one of you elects that plan, you can still use the other spouse's HRA.

## **SURVIVING SPOUSES**

If a former CTA employee or a retiree who contributed to the RHCT a portion of his or her pay dies before enrolling in either the HRA Plan or the Retiree Health Care Plan, his or her Surviving Spouse, if any, may enroll in the HRA Plan once he or she has attained age 65 if he or she is not eligible for, or has declined, coverage under the Retiree Health Care Plan. For information about Retiree Health Care Plan eligibility rules, please refer to the Plan Summary for the Retiree Health Care Plan available at [www.ctaretirement.org](http://www.ctaretirement.org) or from the Claims Administrator listed in the Contact Information section at the end of this Summary.

If a former CTA employee or a retiree dies after enrolling in the HRA Plan and with a balance remaining in his or her Account, his or her Surviving Spouse, if any, is eligible to continue participating in the HRA Plan. The Surviving Spouse may do so regardless of his or her age at the time of the former employee's or retiree's death.

The term "Surviving Spouse" refers to an individual who became the legal spouse at least one year prior to the former employee's or retiree's separation from employment with the CTA and that relationship

continued without interruption from that date to the date of the former employee's or retiree's death.

## **ENROLLMENT**

If you are eligible, you may enroll in the HRA Plan beginning 60 days prior to your 65th birthday. Coverage will become effective on your 65th birthday or, if you submit your enrollment application after your 65th birthday, the first day of the month following the date you submit a completed enrollment application to the Claims Administrator. However, in no event will coverage become effective earlier than the HRA Plan's effective date (January 1, 2018).

The enrollment application is available on the RHCT's web site [www.ctaretirement.org](http://www.ctaretirement.org) or by contacting the Claims Administrator listed in the Contact Information section at the end of this Summary.

If you are eligible to enroll in the Retiree Health Care Plan but wish to enroll in the HRA Plan instead, you must decline coverage under the Retiree Health Care Plan prior to your retirement with the CTA (when you separate from the CTA). If you leave the CTA prior to age 65, you may decline coverage in the Retiree Health Care Plan any time prior to starting to receive a pension from the CTA Retirement Plan. Before starting your pension, you can change your mind and opt back into the Retiree Health Care Plan.

Once you have enrolled in the Retiree Health Care Plan, you may not enroll in the HRA Plan. Similarly, when you enroll in the HRA Plan, you waive any right you may have had to enroll in the Retiree Health Care Plan.

## **WHEN COVERAGE ENDS**

If you are a former CTA employee or a retiree, you and your dependents will lose coverage under the HRA Plan upon the first to occur of the following events:

- Your Account balance is reduced to zero;
- You become reemployed by the CTA (your HRA will be suspended until you leave employment with the CTA; see the paragraph below);
- You die and do not leave a Surviving Spouse;
- The HRA Plan is amended so that you are no longer eligible to participate; or
- The HRA Plan is terminated.

If your coverage ends due to your reemployment by the CTA, you may reactivate your Account following your subsequent separation from service by contacting the Claims Administrator listed in the Contact Information section at the end of this Summary. During the suspension, your Account will not be charged the Administrative fee and, as an active employee, your new contributions will accumulate in your Account.

If you are a Surviving Spouse, you and your eligible children will lose coverage under the HRA Plan upon the first to occur of the following events:

- Your Account balance is reduced to zero;
- You become employed by the CTA, in which case your coverage will be suspended during the period of employment;
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- You die;
- The HRA Plan is amended so that you are no longer eligible to participate; or
- The HRA Plan is terminated.

If your coverage ends due to your employment by the CTA, you may reactivate your Account following your separation from service, provided that you have not remarried or become a party to a civil union, by contacting the Claims Administrator listed in the *Contact Information* section at the end of this Summary.

No survivor coverage or benefits are provided under the HRA Plan except for the coverage available to a Surviving Spouse. If you have no Surviving Spouse or your Surviving Spouse dies, any Account balance remaining will revert to the CTA RHCT.

# Health Care Reimbursement Account Benefits

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## YOUR ACCOUNT

Once you enroll in the HRA Plan, an Account will be established for you. You may use your Account to receive reimbursement for Eligible Expenses incurred by you, your spouse and your eligible children.

If you are a former CTA employee or a retiree, the opening balance of your Account will be equal to the amount of contributions you made to the RHCT as a CTA employee. If you are a Surviving Spouse of a former CTA employee or a retiree who died before enrolling in the HRA Plan, the opening balance of your Account will be equal to the amount of contributions your deceased spouse made to the RHCT as a CTA employee. If you are a Surviving Spouse of a former CTA employee or retiree who died after enrolling in the HRA Plan, you will only have access to the remaining balance of your deceased spouse's Account.

The balance of your Account will be reduced by the amount of any Eligible Expenses that are reimbursed from the HRA Plan. The balance of your Account will be reduced by the amount of any administrative fees or charges assessed (currently \$25) will be deducted from your Account every year beginning with the anniversary of the date you enrolled). At any time, you may receive reimbursement for Eligible Expenses up to the remaining balance in your Account. If you do not enroll by your 65<sup>th</sup> birthday or January 1, 2018 (whichever is later), the annual fee will be deducted beginning on your 66<sup>th</sup> birthday or December 31, 2018 (whichever is later) and every year thereafter.

Your Account is a notional bookkeeping account. It is not credited with interest or subject to adjustment for investment gains or losses. You may not make any contributions to the Account.

## ELIGIBLE EXPENSES

To be eligible for reimbursement, the expense must be an Eligible Expense incurred by the former CTA employee or retiree or his or her spouse or eligible child (or, in the case of the former employee's or retiree's death, his or her Surviving Spouse or eligible child) after the Account has become effective. Eligible Expenses consist of "amounts expended for medical care" within the meaning of Internal Revenue Code Section 213(d) and generally include the following:

- Out-of-pocket medical expenses, such as copayments, deductibles and your share of coinsurance (that is, the portion not paid by insurance);
- Out-of-pocket prescription drug, dental and vision care expenses, including corrective lenses and eyeglass frames;
- Premiums for health insurance coverage including coverage under Medicare Part B, Medicare supplemental (medi-gap) insurance, a Medicare Advantage plan, Medicare Part D prescription drug coverage, dental insurance, vision insurance, and qualified long-term care insurance;
- Out-of-pocket transportation expenses primarily for, and essential to, obtaining health care; and
- Out-of-pocket expenses for qualified long-term care services.

## INELIGIBLE EXPENSES

The following expenses cannot be reimbursed under the HRA Plan:

- Expenses being reimbursed by medical, dental, vision, workers' compensation, or accident insurance, or through Medicare or another federal or state health care program;
- Expenses you already claimed or will claim as deductions or credits on a federal or state income tax return;
- Cosmetic surgery, teeth whitening or similar procedures;
- General health and wellbeing expenses, such as vitamins (unless purchased pursuant to a valid prescription), exercise, fitness, and nutrition programs, sports and recreational activities, gym and health club memberships; and
- Other expenses that are not eligible to be claimed as deductions for amounts expended for medical care on your federal income tax return.

A detailed listing of those expenses that generally are considered Eligible Expenses and of those which are not is posted on the RHCT's web site [www.ctaretirement.org](http://www.ctaretirement.org) and available upon request from the Claims Administrator.

## ELIGIBLE DEPENDENTS

Eligible dependents for whom expenses may be reimbursed under the HRA Plan are the former CTA employee's or retiree's spouse and the former employee's or retiree's eligible children.

The term "spouse" refers to a person of either gender with whom a former CTA employee or retiree has a legal marriage recognized by the State of Illinois.

If you dissolve your spousal relationship, your spouse will lose eligibility as of the last day of the month of the date of dissolution.

A child is eligible if the child is:

- The retiree's or former employee's natural, adopted (or placed for adoption) or stepchild through age 25, who:
  - Is unmarried;
  - Resides with the retiree (if the child is age 19 or older)\*; and
  - Is dependent upon the retiree for over half of his or her financial support.
  - A child named as an alternate recipient in a child support order, if the Plan Administrator determines the support order to be a Qualified Medical Child Support Order ("QMCSO"). You may contact the Claims Administrator to obtain a free copy of the Plan's QMCSO procedures.
- The retiree's or former employee's dependent child of any age who was disabled prior to age 26 and who, due to disability:
  - Is incapable of self-sustaining employment; and
  - Is dependent upon the retiree or other care provider for lifetime care and supervision because of the disability.

Due to Internal Revenue Code limitations, expenses incurred by a former CTA employee's or retiree's civil union partner or domestic partner are not eligible for reimbursement (unless he or she qualifies as a "Surviving Spouse" as defined on page 2).

\* A child who is temporarily away at school but continues to have the same permanent address as the retiree is considered to reside with the retiree.



## **HOW TO OBTAIN REIMBURSEMENT**

You may obtain reimbursement from your Account for Eligible Expenses in the following ways:

- Using a debit card to pay for Eligible Expenses;
- Submitting a completed reimbursement request form and supporting documentation to the Claims Administrator either through the debit card website at [gal.wealthcareportal.com](http://gal.wealthcareportal.com), through email to [fsa@groupadministrators.com](mailto:fsa@groupadministrators.com), or by facsimile at 847-519-1979; or
- Any other method that the Plan Administrator offers.

Each of these two options are described in the following sections.

### **Using Your Debit Card**

When you enroll, a debit card will be sent to you which you may use to pay for Eligible Expenses. Each time you use the debit card, your Account will be debited by the amount spent.

You may use the debit card only for Eligible Expenses.

You must obtain and keep a receipt for each Eligible Expense paid with your debit card. This is needed in case any questions are raised about the purchase and verification is needed.

The Claims Administrator may send you a letter requesting additional information about a purchase. If you fail to respond to the request, a second notice will be sent to you. If you do not respond fully to this second request within the period specified, your debit card will be suspended. To have the card reactivated, you must fully respond to the Plan Administrator's request and provide all of the requested information, including any receipts or other supporting documentation requested. If the requested information and/or documentation is not provided, you will need to repay the amount of that debit card transaction to your Account before the Account may be used further.

If your debit card is lost or stolen, notify the Claims Administrator immediately. A fee will be charged for the issuance of a new card, which will be deducted from your Account.

### **Submitting a Reimbursement Request**

Instead of using your debit card, you may submit a claim for reimbursement using a reimbursement request form. HRA Plan reimbursement request forms are available on the RHCT's web site [www.ctaretirement.org](http://www.ctaretirement.org) or by contacting the Claims Administrator listed in the Contact Information section at the end of this Summary.

You must complete the reimbursement request form completely, sign and date the form, and send it and any supporting documentation to the Administrator through the debit card website, [gal.wealthcareportal.com](http://gal.wealthcareportal.com), by email at [fsa@groupadministrators.com](mailto:fsa@groupadministrators.com) or by facsimile at 847-519-1979. You must include with the completed reimbursement request form, a receipt for the expense showing the nature of the expense, the date on which the expense was incurred, and the person on whose behalf the expense was incurred, as well as documentation showing the amount, if any, paid by insurance or reimbursed through another source.

### **Time Limit for Submitting Reimbursement Requests**

A reimbursement request form must be received by the Claims Administrator within 12 months after the date the expense was incurred.

## Claims Procedures

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You have the right to request a review of any adverse eligibility or benefit determinations involving you or your spouse or dependent children.

### CLAIMS

If you have a claim involving eligibility or entitlement to reimbursement for expenses incurred, your claim should be submitted to the Claims Administrator at the address listed in the Contact Information section at the end of this Summary. For example, if you have been told that you are not eligible to enroll in the HRA Plan and you believe that you are eligible, you should file a written claim with the Claims Administrator. Likewise, if you believe that you are entitled to reimbursement from your Account for certain expenses, you should file a reimbursement request form with the Claims Administrator.

If your claim is denied, the Claims Administrator will send you a written explanation that will include the specific reason(s) for the denial, based on the provisions of the HRA Plan. The explanation also will describe any additional information you might be required to submit to complete your claim, plus a statement of why this information is needed, as well as your right to appeal the denial to the Board.

### IF YOUR CLAIM IS DENIED

The Board will review adverse decisions made by the Claims Administrator in accordance with the appeal process described below.

### Appeal Process

1. To initiate an appeal to the Board, you (or your authorized representative) must submit a written request for review no later than sixty (60) days following the adverse determination that is the subject of the appeal. A late appeal may be considered by the Board if the Executive Director determines that the delay in requesting a review was due to reasonable cause.
2. The request for review should be directed to the Board of Trustees of the RHCT, c/o the Executive Director, CTA Retiree Health Care Trust, 55 West Monroe Street, Suite 1950, Chicago, IL 60603.
3. The request for review must include your name (and your dependent's name, if applicable), address and telephone number and a reasonable description of the adverse decision being appealed, including the date of the adverse decision. You or your authorized representative may submit written comments, documents, records and other information relating to the claim. You or your authorized representative also may request to examine any documents related to the claim.
4. After a written request for review is received, the Executive Director will place the appeal on the agenda for an upcoming Board meeting.
5. Following the Board's decision on the appeal, the Executive Director will communicate the decision to you or your authorized representative in writing. If the appeal is denied, the written explanation will include the specific reason(s) for the denial.

# Plan Administration

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## **Plan Administrator**

The Board of Trustees of the RHCT is the Plan Administrator.

The Plan Administrator has discretionary authority to determine eligibility, benefit entitlements and adjustments, to construe the terms and conditions of the Plan and to make final and binding decisions on all matters associated with the operation and administration of the HRA Plan. Any tribunal reviewing any decision of the Plan Administrator shall give deference to the decision of the Plan Administrator and may not disrupt any such decision unless it is determined that the Plan Administrator acted in an arbitrary and capricious manner.

## **Recovery of Benefit Overpayment**

If any benefit paid to or on behalf of you or your covered dependent should not have been paid or should have been paid in a lesser amount and you or your covered dependent or other recipient fails to repay the amount promptly, the overpayment may be recovered by the RHCT and the HRA Plan from any future benefits payable. The RHCT and the HRA Plan also reserve the right to recover any such overpayment by appropriate legal action.

## **Information to Be Furnished**

You are required to furnish to the Plan Administrator or its designee such documents, data or other information as the Plan Administrator considers necessary or desirable for the purpose of administering the HRA Plan. The expense reimbursements payable under the HRA Plan to you or your covered dependents are conditioned on you promptly furnishing full, true and complete documents, data or other information reasonably related to the administration of the HRA Plan requested by the Plan Administrator or its designee.

## **Amendment and Termination**

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The Board of Trustees of the RHCT reserves the right to modify, amend or terminate the HRA Plan at any time, except that no amendment, modification or act terminating the Plan shall be in contravention of or inconsistent with Illinois Public Act 95-0708, the legislation that established the RHCT, as amended.

Because the Plan may be modified, amended or terminated at any time, you and your dependents do not become entitled to any vested benefits under this Plan.

## General Plan Information

Name of Plan:	Chicago Transit Authority Retiree Health Care Reimbursement Account Plan
Plan Type:	The Plan is a welfare benefit plan for retirees and former employees offering a health care reimbursement arrangement for qualifying health care expenses.
Funding:	Expense reimbursements are funded through the RHCT. The RHCT was initially funded by the CTA and is funded on an on-going basis by CTA employee and retiree contributions.
Plan Sponsor:	Chicago Transit Authority Retiree Health Care Trust 55 West Monroe Street, Suite 1950 Chicago, Illinois 60603 <a href="http://www.ctaretirement.org">www.ctaretirement.org</a>
Plan Sponsor's Federal Tax ID Number:	30-0497695
Plan Administrator:	Board of Trustees Chicago Transit Authority Retiree Health Care Trust 55 West Monroe Street, Suite 1950 Chicago, Illinois 60603
Claims Administrator:	See the <i>Contact Information</i> section on the following page
Plan Year:	January 1 through December 31
Agent for Service of Legal Process:	Chicago Transit Authority Retiree Health Care Trust Attention: Executive Director 55 West Monroe Street, Suite 1950 Chicago, Illinois 60603

## Contact Information

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If you have questions about eligibility, your Account or other matters, please contact either the Claims Administrator or the CTA Retirement Office:

<b>Claims Administrator</b>	<b>CTA Retirement Office</b>
CTA RHCT c/o Group Administrators	CTA RHCT
915 National Parkway, Suite F	55 West Monroe Street, Suite 1950
Schaumburg, IL 60173	Chicago, IL 60603
Phone: 800-487-1150 Fax: 847-519-1979 Email: <a href="mailto:fsa@groupadministrators.com">fsa@groupadministrators.com</a> Website: <a href="http://www.gal.wealthcareportal.com">www.gal.wealthcareportal.com</a>	(866) 441-9694 <a href="http://www.ctaretirement.org">www.ctaretirement.org</a>