



IAFF MERP MEDICAL EXPENSE REIMBURSEMENT PLAN

Administered by Vimly Benefit Solutions, Inc.

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www.IAFFMERP.org

January 2024

Subject: New Requirements for Recurring MERP Claims for Insurance Premium Reimbursement

Dear IAFF MERP Retirees,

Many of you have reached out to the MERP Trust Office regarding the 2024 Annual Premium Verification Notice which was sent out on December 18, 2023. In this Notice, new IRS requirements were outlined surrounding the substantiation of claims for insurance premiums, including but not limited to premiums paid for medical, dental and/or vision insurance.

We have heard your feedback on confusion surrounding the new requirements and as a result will be **extending the requirement for Proof of Premium payment from January 25, 2024 to April 25, 2024.** Claims for insurance premiums submitted after April 25, 2024, will require proof of actual premium payment before a benefit is paid. We apologize for not giving you more notice.

Due to the high volume of calls and emails at the Trust office we are responding as quickly as possible. If you have already left a message, please do not leave another as it creates duplicate messages. Please rest assured that you will not lose any benefits that you are entitled to.

WATCH A VIDEO FROM OUR TRUST CHAIRMAN AND VIEW AN FAQ AT
[www.IAFFMERP.org!](http://www.IAFFMERP.org)

Why is the Trust implementing this new requirement for ongoing monthly Proof of Premium?

New guidance from the IRS requires plans like MERP to not only verify that the insurance premium is an IRS-eligible expense, but also that the premium was actually paid each month in which reimbursement is being requested. Failure to comply with this new guidance could result in penalties as severe as the Trust losing its favorable tax status, which means that all benefits paid could become taxable to plan beneficiaries.

What does this mean for me today?

If you have set up a "recurring claim" for reimbursement of insurance premiums, you should complete a new claim form for 2024. This is no different from what's been required in years past.

In order to renew (or set up) your recurring claim, please submit the following to the Trust Office by uploading to the SIMON Member Portal at www.IAFFMERP.org. Items may also be submitted via surface mail, fax or email to IAFF-MERP@vimly.com:

- A new Claim Form (which can be found at www.IAFFMERP.org), and
- Premium Verification Documentation*

In order for your claim to be paid by the 15th of any month you must submit these items no later than the 25th of the previous month. If items are received after 25th of the month, the benefit payments will be delayed to the following month on the 15th.

What is Premium Verification Documentation?

Premium Verification Documentation is proof from your insurance plan including the following information:

- ✓ Type of healthcare insurance (e.g., medical, dental or vision)
- ✓ Amount of monthly premium
- ✓ Dates of insurance coverage (dates of coverage must include the entire 2024 calendar year if your intent is to be reimbursed for each month)
- ✓ Name of insured

What is changing for claims submitted after April 25, 2024?

Beginning April 25, 2024, you must submit monthly Proof of Payment in order to be reimbursed for your insurance premium claims.

Examples of Proof of Payment may include:

- ✓ A canceled check,
- ✓ A copy of your bank statement showing the monthly deduction that matches the amount on your annual claim form, or
- ✓ A copy of your pension statement showing the monthly deduction that matches the amount on your annual claim form, or

To be submitted annually for reimbursement of insurance premium:

- Claim Form
- Premium Verification Documentation

To be submitted monthly prior to each monthly reimbursement:

- Proof of Payment showing that you actually paid that month's premium

You may choose to batch your Proof of Payment quarterly or annually; however, you will not receive reimbursement for any month in which you have not submitted Proof of Payment.

What about my premium payments for Medicare Part A and/or Part B?

If your premium payments are deducted from your Social Security, you are only required to submit your Social Security statement annually. Your monthly premiums for a Medicare Supplement, Medicare Advantage or Part D plan will still require monthly Proof of Payment.

What if I'm enrolled in an IAFF Health & Wellness Trust plan, administered by Vimly Benefit Solutions?

If you are enrolled in an IAFF Health & Wellness Trust plan, you are only required to submit Proof of Payment annually. Your monthly Proof of Payment can be obtained directly from the IAFF Health & Wellness Trust since Vimly administers both plans.

What happens if I don't submit Proof of Payment for my insurance premium claims after the new requirement goes into effect on April 25, 2024?

You will not receive reimbursement for any month after that date until Proof of Payment is submitted.

What happens if my monthly insurance premium exceeds my monthly benefit amount?

If your premium cost exceeds your monthly benefit amount, the Trust will continue to pay your monthly benefit until your Proof of Payment is exhausted, at which time you will have to submit additional Proof of Payment.

This may be the preferred way to submit your insurance premium claims should your monthly premium amount exceed your benefit. In order to do this, you should put your actual premium amount on the Claim Form rather than your monthly benefit amount.

Example:

Your monthly benefit amount is \$200/month and your monthly medical premium is \$1,000/month. On the Claim Form, you've written in \$1,000 as the "Amount Requested" for reimbursement. You must submit Proof of Payment showing the \$1,000 you paid. The Trust will then pay your \$200/month benefit for five (5) months. After five (5) months, you will need to submit a new Proof of Payment which will take you through the next five (5) months, and so on.

Please know that we as Trustees take tremendous pride in providing the highest level of service we can to both our active and retired participating members. We also bear the responsibility of being fiduciaries of the plan and protecting our members' assets. While our goal is always to make it as easy as possible for you to access your benefits, we also have to work within the constraints in which we are required to under federal law. This is to the benefit of all plan participants.

Please don't hesitate to contact us with any questions or concerns about this new guidance or the direction the Trust is going. Our administrator, Vimly's toll free number is 1-844-353-7839.

Sincerely,

Greg Markley
WSCFF Secretary-Treasurer