

September 16, 2009

To: All Local Presidents - Legacy SBC Bargaining Unit

From: Kristie Darling, CWA Representative

Subject: **Healthcare Reimbursement Accounts (HRA's) - IMPORTANT UPDATE**

Benefit Premiums paid via payroll deduction are automatically **pre-taxed** deductions unless requested by the employee to pay them **Post-Tax**.

We have just recently learned that the IRS has ruled that **Premiums must be paid on a POST-TAX basis in order to be reimbursable by an HRA.**

For those Members who plan to request reimbursement for their monthly medical premiums they will need to **ELECT the POST-TAX premium option at Open Enrollment**

For those members who wish to use their HRAs to be reimbursed for any other qualified medical expenses (**other than Premiums**) they can still pay their premiums **Pre-Tax**.

More open enrollment details to follow.

Cc: Seth Rosen, D-4 VP
Administrative Staff
D-4 Staff
SBR s
RMC Officers (Annie and Marcy)
RMC Activists
RMC Presidents