

VEBA Plan Enrollment Kit

For public employees in Washington



DESCRIPTION OF PLAN BENEFITS

Enrollment Kit contents:

1. Description of Plan Benefits
2. Investment Fund Information brochure
3. Investment Fund Overview (updated quarterly; available from your employer)
4. Membership Enrollment Form

INTRODUCTION

Congratulations! You are enrolling in the VEBA Plan, a health reimbursement arrangement for public employees in Washington.

You can use your VEBA account to reimburse eligible out-of-pocket healthcare costs and premiums for you, your spouse, and qualified dependents. Generally, dependents must satisfy the IRS definition of “qualifying child” or “qualifying relative” as of the end of the calendar year in which expenses were incurred. See Definition of Dependent at veba.org.

The tax objectives are:

1. To enable your employer to make tax-free contributions to the plan on your behalf;
2. For your account to be credited with tax-free investment earnings; and
3. To enable you to obtain tax-free reimbursements for your eligible out-of-pocket healthcare expenses and insurance premiums.

Contributions, earnings, and claims withdrawals are not tax reportable. Contributions will not be included on Form W-2 from your employer and you will not receive a Form 1099 for earnings or withdrawals (claims).

Unused funds in your account carryover from year to year.

ENROLLMENT

Now that you are eligible to enroll, simply complete the attached Enrollment Form and return it to your employer. IRS rules require that all employee group members defined as eligible must participate.

You will become a participant and your account will be activated when the third-party administrator (TPA) receives a contribution from your employer and your completed and signed Enrollment Form.

Once the above items are received, the TPA will send you a welcome packet. Your welcome packet will provide you with:

- Your participant account number
- Welcome letter confirming your employer’s initial contribution
- Plan Summary
- Login directions for **myVEBA Plan online**
- Claim Form

INVESTMENT OPTIONS

You can choose either one of two participant-directed investment options. The enclosed Investment Fund Information brochure contains detailed information.

Option A: Do-it-yourself

Build your own asset allocation portfolio using funds from six individual asset classes.

Option B: Choose a pre-mix

Select any one of four professionally designed, pre-mixed asset allocation portfolios.

You can change your investment fund allocation anytime up to once a month.

Net investment earnings (or losses) after fund management and trust administrative expenses have been deducted are credited tax-free to your account daily.

THIRD-PARTY ADMINISTRATOR

Contact the third-party administrator (TPA) for information regarding your account, questions

about claims, or to request forms.

Meritain Health is the TPA. Meritain has more than 30 years of experience and serves participants from its Minneapolis service center.

Please immediately notify the TPA of any changes to your name, contact information, or systematic premium reimbursement details.

QUALIFIED EXPENSES & PREMIUMS

Common qualified expenses include co-pays, coinsurance, deductibles, prescriptions, etc. Eligible insurance premiums include medical, dental, vision, tax-qualified long-term care (subject to IRS limits), Medicare Part B, Medicare Part D, and Medicare supplement plans. Go to veba.org for a more detailed list.

Insurance premiums paid by an employer, or premiums that are or could be deducted pre-tax through your or your spouse's section 125 cafeteria plan, are not eligible for reimbursement.

If you or your spouse have a section 125 healthcare flexible spending account (FSA), you must exhaust the FSA benefits before submitting claims.

CLAIMS

Withdrawals (claims) from your account can be made only for eligible out-of-pocket healthcare expenses and premiums.

Simply mail, e-mail, or fax a completed Claim Form or Systematic Premium Reimbursement Form to the TPA. Get these forms online at veba.org, or by contacting the TPA.

To expedite your claims:

1. Fully complete all requested information
2. Attach itemized verification for each expense or service. Cancelled checks or balance forward statements are not acceptable. Acceptable forms of verification include:
 - a. Explanation of benefits (EOB)
 - b. Itemized billing or statement
 - c. Detailed receipt
3. Sign up for direct deposit; its faster and more secure.

DESCRIPTION OF PLAN BENEFITS

Qualified expenses and premiums submitted for reimbursement must be incurred after your account is first activated and you become eligible to file claims. Insurance premiums paid by an employer, or premiums that are or could be deducted pre-tax through your or your spouse's section 125 cafeteria plan, are not eligible for reimbursement.

PLAN EXPENSES

All expenses of operating the VEBA Trust are paid by an annualized fee of approximately 1.75% of your average participant account balance. This fee is adjusted periodically as plan expenses change. The annualized fee is paid by a reduction to investment earnings or, if there are no earnings, charged as a deduction to participant accounts.

Trust operating and administrative expenses include legal fees, consulting, local servicing, printing, postage, auditing, claims processing, account administration, etc.

SURVIVOR BENEFIT

If you pass away, remaining funds in your account may continue to be used by your surviving spouse and qualified dependent(s) to reimburse eligible healthcare expenses and premiums. Surviving spouses and qualified dependents enjoy the same tax advantages as participants.

If you have no eligible survivors, remaining funds in your account are forfeited. IRS Revenue Ruling 2006-36 does not permit the payment of benefits to non-dependent heirs.

ONLINE SERVICES

When you receive your welcome packet, go to veba.org and click the link to **myVEBA Plan online**. After logging in, you can:

- View account details and investment performance
- Track the status of claims in progress and view claims history
- Set up a systematic premium reimbursement
- Update account preferences, investment allocations, and other information

You do not have to login to access general plan information and fillable forms at veba.org.

ACCOUNT STATEMENTS

If you provide a valid e-mail address and elect to receive electronic correspondence from the TPA, you will be notified when your quarterly participant activity statement is available online. Otherwise, a paper participant activity statement will be mailed to you in January and July.

BOARD OF TRUSTEES

The VEBA Plan is offered by a non-profit, tax-exempt VEBA trust managed by a board of trustees appointed by the plan sponsors.

The plan sponsors are the Association of Washington School Principals (AWSP), the Washington Association of School Administrators (WASA), and the Washington Association of School Business Officials (WASBO).

CONTACT INFORMATION

Contact the third-party administrator for:

- Account information
- Paper forms
- Claims and systematic premium reimbursement inquiries

Third-party Administrator

Meritain Health
PO Box 27810
Minneapolis, MN 55427-0810
Phone: 1-888-828-4953
Fax: (763) 582-3470
E-mail: myVEBAPlan@meritain.com

Plan Consultant & Local Service VEBA Service Group, LLC

Eastern Washington
906 West 2nd Avenue, Suite 400
Spokane, WA 99201-4502
Phone: 1-800-888-VEBA (8322)
Fax: (509) 838-5613

Western Washington
1024 Main Street
Sumner, WA 98390-1413
Phone: 1-800-422-4023
Fax: (253) 826-1929

Legal Counsel

Katten Muchin Rosenman LLP
525 West Monroe Street
Chicago, IL 60661-3693
Russell Greenblatt

Enrollment Form Checklist

Did you...

- | | | |
|---|--|--|
| <input type="checkbox"/> Provide all spouse and/or dependent information (Section 1)? | <input type="checkbox"/> Make an investment selection (Section 3)? | <input type="checkbox"/> Enroll in direct deposit (recommended) (Section 6)? |
| <input type="checkbox"/> Provide your home or personal e-mail address (Section 2)? | <input type="checkbox"/> Sign your Enrollment Form (Section 4)? | |

Enrollment Form

Return completed form to your employer. Fillable version available online at veba.org. Direct deposit enrollment on reverse.



Employer please complete: Employer ID No. _____ Employer Name: _____
 Enrolling employee is [check one]: Actively employed Separating / Retiring on _____ (Date)

1. EMPLOYEE, SPOUSE, DEPENDENT INFORMATION

NOTE: Your spouse and dependent(s) are automatically covered under this plan. The below information is required in accordance with federal law which requires the third-party administrator to have on file the full name, Social Security number, gender, and date of birth of all covered individuals. List any additional dependents on an attached sheet of paper.

First Name	Middle Initial	Last Name	Gender (M/F)	Date of Birth (mm/dd/yyyy)	Social Security Number
Employee					
Spouse	<input type="checkbox"/> None				
Dependent 1	<input type="checkbox"/> None				
Dependent 2	<input type="checkbox"/> None				
Dependent 3	<input type="checkbox"/> None				
Dependent 4	<input type="checkbox"/> None				

2. EMPLOYEE CONTACT INFORMATION

E-mail address (home or personal recommended) _____ (_____) _____ - _____
 Area code and phone number

Mailing address _____ City _____ State _____ Zip _____

3. INVESTMENT SELECTION

Select and complete **OPTION A** or **OPTION B**, but not both. If you make no selection, your entire account will be allocated to the Stable Value fund. You should carefully read the Investment Fund Information brochure included with this enrollment kit (also available online). More information is contained on reverse.

<input type="checkbox"/> OPTION A: Do-it-yourself. If you want to choose your own fund(s), select and complete Option A only. Use whole numbers—no fractions.	<input type="checkbox"/> OPTION B: Choose a pre-mix If you want an asset allocation strategy created by investment professionals, select and complete Option B only. Choose only one pre-mix. Multiple choices cannot be processed. Pre-mix investment allocation percentages on reverse. Quarterly rebalancing is automatic.																
<table border="1"> <thead> <tr> <th>Asset Class / Fund Name</th> <th>Allocation %</th> </tr> </thead> <tbody> <tr> <td>Stable Value / Dwight Separate Account</td> <td>_____ %</td> </tr> <tr> <td>Total Return Bond / PIMCO Total Return Institutional</td> <td>_____ %</td> </tr> <tr> <td>Large Cap Equity / Vanguard Institutional Index (S&P 500)</td> <td>_____ %</td> </tr> <tr> <td>Mid Cap Equity / Touchstone Mid Cap</td> <td>_____ %</td> </tr> <tr> <td>Small Cap Equity / Champlain Small Company</td> <td>_____ %</td> </tr> <tr> <td>International Equity / Artio International Equity II</td> <td>_____ %</td> </tr> <tr> <td>Total must equal</td> <td>100 %</td> </tr> </tbody> </table>	Asset Class / Fund Name	Allocation %	Stable Value / Dwight Separate Account	_____ %	Total Return Bond / PIMCO Total Return Institutional	_____ %	Large Cap Equity / Vanguard Institutional Index (S&P 500)	_____ %	Mid Cap Equity / Touchstone Mid Cap	_____ %	Small Cap Equity / Champlain Small Company	_____ %	International Equity / Artio International Equity II	_____ %	Total must equal	100 %	Pre-mix name (target time horizon / risk level) <input type="checkbox"/> Immediate Use (within 1 year / conservative) <input type="checkbox"/> Short-term Use (within 2-3 years / moderately conservative) <input type="checkbox"/> Medium-term Use (within 4-5 years / moderately aggressive) <input type="checkbox"/> Long-term Use (within 6+ years / aggressive)
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International Equity / Artio International Equity II	_____ %																
Total must equal	100 %																
<input type="checkbox"/> Yes. Rebalance my allocation percentages at the end of each calendar year. NOTE: Rebalancing is an important feature that will redistribute your entire account balance according to your most recent allocation percentages on file with the third-party administrator (TPA). If selected, this option will continue until revoked online or via written notice to the TPA.	NOTE: After enrolling, you can begin filing claims no matter which pre-mix you choose. The target time horizon represents the length of time until you <u>expect</u> to begin using your account. The risk level of each pre-mix is designed with strong consideration to the portfolio's target time horizon.																

4. HOLD HARMLESS AGREEMENT AND REQUIRED SIGNATURE

"I hereby become a Participant of the VEBA Plan. I realize that the parties involved in this Plan (including, but not limited to the Plan, my employer, my bargaining representative, the Trustees, and the agents of each, collectively referred to as the "Plan and its agents") cannot guarantee any federal or state tax results or investment results. I understand that should I fail to sign this agreement, I will (1) not become a Participant in the Plan; and (2) not be entitled to receive remuneration to which I may have otherwise been entitled to subsequent to implementation of the current Plan. I acknowledge that any benefits to which I may become entitled are subject to the terms and conditions of the governing Plan documents and applicable law, and that the Plan and its agents may withhold from such benefits (and may transmit to the government) any tax, charge, penalty, assessment, or other amount which is determined to be attributable to or allocable to such benefits or on account of the operations of the Plan and to hold the Plan and its agents harmless with respect to such actions taken in good faith. I have received, reviewed and understand the Plan and investment information provided in the Description of Plan Benefits and Investment Fund Information brochures."

Signed this _____ day of _____, _____ X _____
 Day Month Year Signature of Employee/Participant

5. ELECTRONIC COMMUNICATION CONSENT (recommended)

Check one: YES (be sure to provide your e-mail address in section 2) NO

To communicate and deliver information to you quickly and efficiently, electronic communication is recommended. Electronic documents include your welcome letter, Plan Summary, participant activity statements, explanation of benefits (EOBs), and general participant communication. Please note: (1) After logging in to **myVEBA Plan online** at **veba.org**, you (a) may withdraw your consent for electronic documents at any time without charge by updating your account preferences, (b) will be able to view and print copies of electronic documents (you may request paper copies at no charge by contacting the third-party administrator), and (c) can update your e-mail address on file by updating your personal information; (2) to access electronic documents, you will need a copy of Adobe Acrobat Reader software loaded on your computer. You can download and install a free copy at www.adobe.com; (3) documents provided electronically will not be mailed via U.S. Mail.

6. TPA CONTACT INFO

VEBA Plan Third-party Administrator
 Meritain Health
 PO Box 27810
 Minneapolis, MN 55427-0810
 1-888-828-4953
 Fax (763) 582-3470
 myVEBAPlan@meritain.com
 Trust Website: www.veba.org

7. DIRECT DEPOSIT ENROLLMENT (recommended)

When requesting direct deposit to a **checking account**, a voided check must be attached for routing and account number verification. For direct deposit to a **savings account**, please contact your financial institution for routing and account number verification if a voided check is not available.

Account type [check one]:

- Checking account
 Savings account

Name of financial institution (bank or credit union)

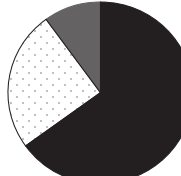
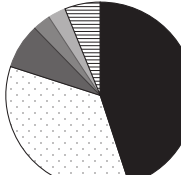
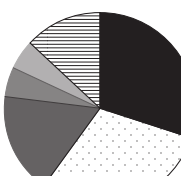
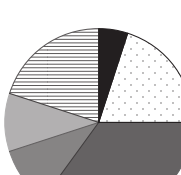
9-digit routing/transit number (see below check example)

Account number (do not include your check number)

Sample check

Memo _____		
⑆ 123456789 ⑆	9876543210 ⑆	1001
↓	↓	↓
9-digit routing/transit number	Account number	Check number

8. INVESTMENT OPTIONS

Asset Class / Fund Name	Pre-mixed Portfolios
<p>Stable Value / Dwight Separate Account Seeks to provide preservation of capital with competitive interest earnings. www.dwight.com</p>	<p>Immediate Use (within 0-1 years) <i>Conservative</i></p>  <ul style="list-style-type: none"> 65% Dwight Separate Account 25% PIMCO Total Return Bond 10% Vanguard Institutional Index (S&P 500)
<p>Total Return Bond / PIMCO Total Return Institutional Seeks maximum total return, consistent with preservation of capital and prudent investment management. www.pimcofunds.com</p>	<p>Short-term Use (within 2-3 years) <i>Moderately Conservative</i></p>  <ul style="list-style-type: none"> 45% Dwight Separate Account 35% PIMCO Total Return Bond 8% Vanguard Institutional Index (S&P 500) 3% Touchstone Mid Cap 3% Champlain Small Company 6% Artio Int'l Equity II
<p>Large Cap Equity / Vanguard Institutional Index (S&P 500) Seeks to track the performance of a benchmark index that measures the investment return of large-capitalization stocks. www.vanguard.com</p>	<p>Medium-term Use (within 4-5 years) <i>Moderately Aggressive</i></p>  <ul style="list-style-type: none"> 30% Dwight Separate Account 30% PIMCO Total Return Bond 17% Vanguard Institutional Index (S&P 500) 5% Touchstone Mid Cap 5% Champlain Small Company 13% Artio Int'l Equity II
<p>Mid Cap Equity / Touchstone Mid Cap Seeks long-term capital growth by investing in common stocks of medium-capitalization companies. www.touchstoneinvestments.com</p>	<p>Long-term Use (within 6+ years) <i>Aggressive</i></p>  <ul style="list-style-type: none"> 5% Dwight Separate Account 20% PIMCO Total Return Bond 35% Vanguard Institutional Index (S&P 500) 10% Touchstone Mid Cap 10% Champlain Small Company 20% Artio Int'l Equity II
<p>Small Cap Equity / Champlain Small Company Fund Seeks capital appreciation by investing in small capitalization U.S. common stocks. www.cipvt.com</p>	
<p>Int'l Equity / Artio International Equity II Seeks long-term growth of capital by investing in a wide variety of international equity securities issued throughout the world, normally excluding the U.S. www.artioglobal.com</p>	

Participants are encouraged to consult their tax, investment or legal advisor regarding participation in this plan.
 Please notify the TPA of any address changes.