

## What happens if I pass away?



### Survivor Benefit

It's important to know what will happen to your health reimbursement arrangement (HRA) if you pass away. You're doing the right thing by learning more about this key feature of your HealthInvest HRA Plan.

Don't worry! We'll make sure any remaining funds in your HRA are used up or properly transferred to your loved ones. With your HealthInvest HRA Plan, you get a unique and flexible survivor benefit that can't be offered by most other HRA plans.

### How it Works

You've probably named beneficiaries before, like on a life insurance plan. Your HealthInvest HRA Plan is different. That's because it's a type of health plan. In fact, if you're happy with your HRA automatically going to your surviving spouse and children, you might not need to name an HRA beneficiary at all.

Our standard survivor benefit progression is shown below. It's simple and works well for most participants. If this standard order meets your needs, you don't need to do anything. You're good to go!

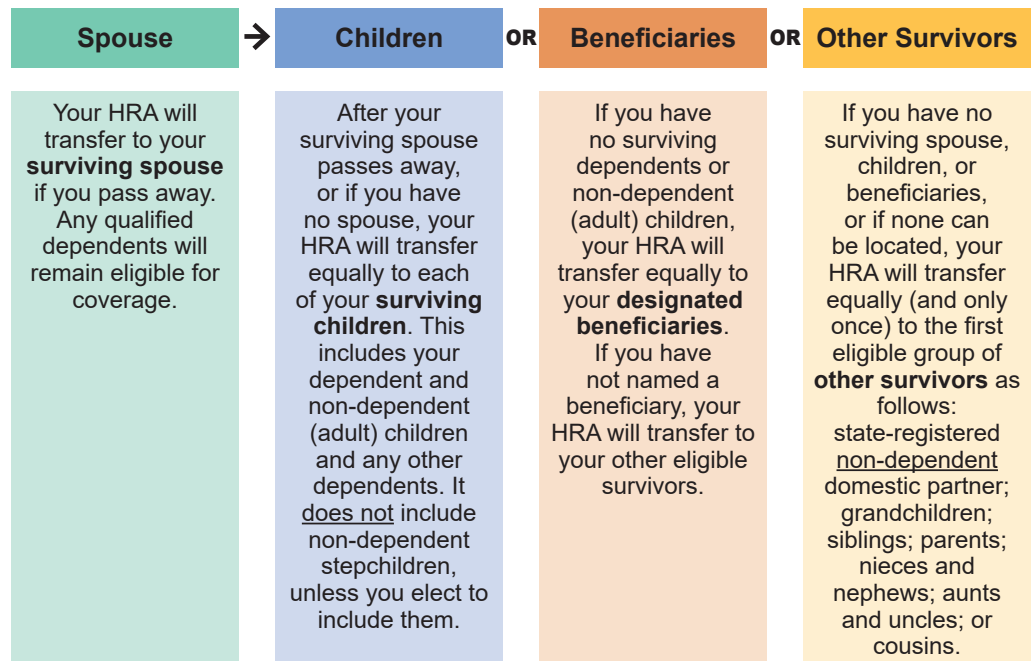
#### MORE INFO?

[HealthInvestHRA.com](http://HealthInvestHRA.com)

#### QUESTIONS?

1-844-342-5505

[customercare@healthinvesthira.com](mailto:customercare@healthinvesthira.com)



If you decide that you need to name one or more beneficiaries, log in at [healthinvesthira.com](http://healthinvesthira.com) and click **My Profile**. You should regularly review your beneficiary information and update it as needed. You can add, update, or delete beneficiaries at any time.

### Want something different?

We can probably help if you have a special situation. For example, maybe you want to:

1. Make sure your HRA goes to just one of your non-dependent (adult) children;
2. Direct that your significant other, a relative, or friend receives your HRA ahead of your non-dependent children; or
3. Include your non-dependent stepchildren.

If you decide to name one or more beneficiaries and want them to be placed in line before your non-dependent children, complete Sections 4 and 5 of our **Survivor Benefit Elections** form. Complete Section 3 of the form if you want to include or exclude non-dependent stepchildren. Read **Transfer to Survivors** below for more details.

### Account Spend Down

Your surviving spouse or estate may be able to spend down (use up) your remaining HRA funds by submitting claims. Medical, dental, and vision expenses and premiums incurred by you (prior to your passing), your spouse, and any dependents will remain eligible for tax-free reimbursement.

### Transfer to Survivors

If funds still remain after all claims have been reimbursed, your HRA will be transferred to your **surviving spouse**. All of your dependents will remain eligible for coverage.

After your spouse passes away, or if you have no spouse, any remaining portion of your HRA may be transferred equally (and only once) to your survivors in the order listed below.

#### 1. Dependents and Non-dependent (Adult) Children

Your HRA will be split equally among each of your children and any other dependents. This does not include your non-dependent stepchildren, unless you elect to include them in Section 3 of our **Survivor Benefit Elections** form.

Read our **Definition of Dependent** handout to learn more about who qualifies for HRA coverage as a dependent. To get a current copy, log in at [healthinvesthra.com](https://healthinvesthra.com) and click **Resources**.

#### 2. Designated Beneficiaries

If you have no dependents or non-dependent children, your HRA will be split equally among your designated beneficiaries, if any. To name one or more beneficiaries, complete Section 4 of our **Survivor Benefit Elections** form, or log in at [healthinvesthra.com](https://healthinvesthra.com) and click **My Profile**. Remember, you don't need to name your spouse, dependents, or non-dependent children. These survivors will automatically have continued rights to your HRA funds.

Your beneficiaries will be placed in line after your non-dependent children. To place your beneficiaries in line before your non-dependent children, complete Section 5 of our **Survivor Benefit Elections** form.

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### 3. Other Survivors

If you have no dependents, non-dependent children, or designated beneficiaries, or if none of these individuals can be located, your HRA will be split equally among the first eligible group of other survivors as follows: state-registered non-dependent domestic partner; grandchildren; siblings; parents; nieces and nephews; aunts and uncles; or cousins.

A detailed **Survivor Benefit Progression** flow chart is available upon request.

### Account Usage

Transferred HRA funds can be used by your survivors to reimburse only their own medical, dental, and vision expenses or premiums—not the expenses of their spouses or dependents.

### Tax Treatment

Reimbursements for your surviving spouse and dependents will remain tax-free. Coverage for any other survivors will be taxable. Coverage for your dependents will become taxable on January 1 of the year after they turn age 26 or when they otherwise lose dependent status.

We'll issue a tax statement to your survivors who have taxable HRA coverage. The tax statement will report their HRA coverage as taxable income. The value of HRA coverage for tax purposes is updated annually and is not based on individual account balances or reimbursements received. Contact us if you need to know the current value of HRA coverage.

### Redistribution Among Survivors

If one of your survivors passes away with remaining HRA funds, those funds will be reallocated equally among your remaining eligible survivors.

### Forfeitures

Our survivor benefit progression is designed to eliminate almost any possibility of your HRA funds ever being forfeited. We'll do our best to find an eligible survivor. Some or all of your HRA funds would be forfeited only if:

1. Your surviving spouse passed away, or you had no spouse, and you had no surviving dependents, non-dependent children, designated beneficiaries, or other eligible survivors; or
2. One of your survivors passed away with remaining funds and there were no other survivors eligible to receive a transfer.

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