

Addendum #1 – 8/18/2017

RFI No. 100170-FY18-09, Issued 8/14/2017

Town of Leesburg

1. Is this for active employees?

Yes. There are a limited number of active employees who will be eligible for the plan. The Town would like to offer a choice to this group of employees (those hired before April 1, 2016 with less than 10 years of service as of a date to be determined). There are approximately 122 employees that would be eligible.

The Town is considering whether to offer this group of employees a one-time election to become grandfathered in its traditional monthly subsidy towards the healthcare premium or to move to this Retirement Health Savings Plan.

Funds are intended to be used for medical expenses during retirement.

2. Is the Town looking for someone to administer a retiree HSA or retiree HRA?

The Town would like an HRA administrator. Contributions will be made by the Town either through a) sick leave conversion paid as a contribution to the Plan upon an employee's retirement and/or b) cash contributions from the Town.

The Retirement Health Savings Plan is intended to be compliant with HRA guidelines:

- *Contributions qualify as employer contributions.*
- *Assets available for health expenses.*
- *Unused funds carryover to following years.*
- *Reimbursements for the participant, spouse and eligible dependents.*

3. Are they looking for a traditional HSA plan administration?

Members should be able to access the funds in their account for medical expenses during retirement. It is similar to a traditional HRA.

4. What is the amount of the defined contribution and how is it determined?

There will be two tiers of contribution levels based on an employee's years of service as of a defined date. The date will be determined when the plan is adopted. It will likely be in late 2017 or early 2018.

- *Employees with five years of eligible service but less than ten with the Town will be provided a monthly contribution of \$75 until retirement.*
- *Those with less than five years of eligible service with the Town will be provided with a monthly contribution of \$50 until retirement.*

In addition, sick leave may be converted to contributions to the plan upon retirement.

5. If it is a retiree HRA, is it a funded plan?

Yes.

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6. What are the annual deposit amounts and the number of years deposits will be made for retirees?

Please refer to question 4 above. Deposits will be made until the employee terminates employment from the Town.

7. Can you provide additional information or describe the traditional monthly subsidy and how it is determined and the amount(s)?

Please refer to question 4 above.

8. What is the frequency of contributions?

Monthly.

9. Will the plan provide coverage for all Section 213(d) expenses?

Yes.

10. Will there be limitations or a maximum balance?

No.

11. Will the funds carry over from year to year?

Yes.

12. Will claims be paid up to the available cash balance; or paid based on a projected “plan year” amount?

Available cash balance.