

## Post-Employment Health Plan (PEHP)

### 1074.1 PURPOSE AND SCOPE

The purpose of this policy is to provide employees separating from service or retiring assistance with future eligible health care related costs.

This policy applies to eligible employees.

### 1074.2 POLICY

It is the policy of the Northwest Fire District to contribute to a Post Employment Health Plan (PEHP) for all eligible employees to help pay for future eligible medical expenses after an employee separates from service or retires.

The PEHP is administered per the rules of the Internal Revenue Service.

Upon the employee separating from service or retiring, requests may be made for the reimbursement of qualified medical expenses and/or medical insurance premiums as defined by Internal Revenue Code 26 USC 213(d).

In the event of the death of a participant, money is immediately made available to the surviving spouse and/or qualified dependents (as defined by Internal Revenue Code 26 USC 152) to use for health care expenses. If no surviving spouse or qualified dependents remain to request the reimbursement, the account balance is reallocated to the account's remaining members of the immediate employer group for their qualified medical expenses.

### 1074.3 GUIDELINES

Per the Memorandum of Understanding the District will provide a total annual contribution of 1% of an eligible employee's total gross wages into a PEHP.

- (a) Gross wages for the purposes of the 1% PEHP contribution are defined as gross pensionable wages, excluding earnings from Wildland (Contract Brush).
- (b) For employees in the DROP, on military deployment, or exempt from the public pension system (PSPRS/ASRS), 1% PEHP contribution is based on the gross hourly or salary earnings from the District.
- (c) PTO Payout wages are not pensionable and therefore are not included as part of gross wages.
  1. Exception: ASRS PTO Payouts that are paid out due to being in excess of the PTO bank cap are considered pensionable. (See Procedure 1012, Section 1012.2)