

CITY OF DETROIT POST-2014 NON-SAFETY EMPLOYEE RETIREE HEALTHCARE TRUST

January 1, 2025

Dear City of Detroit Post-2014 Non-Safety Retiree:

The Board of Trustees would like to inform you that you can be reimbursed for medical expenses accrued because of benefits lost when the City of Detroit filed bankruptcy in 2014. In this letter we will explain to you the purpose of the VEBA and how the VEBA is funded. We will explain to you how funds are set aside for you and how you can use those funds. In addition, we want to inform you of a new Medicare Advantage Plan that has been put in place for members over 65 and on Medicare for the 2025 benefit year.

As a result of the Plan of Adjustment and the City's Bankruptcy, the City of Detroit entered into a Collective Bargaining Agreement and Side Letter Agreement with union officials authorizing the creation of the VEBA and HRA program. Arising out of these Agreements, the VEBA was established for certain City of Detroit union and non-union employees who retire after December 31, 2014 ("Eligible Retirees").

The City of Detroit Post-2014 Non-Safety Retiree Healthcare Trust (the "VEBA") has been operational since 2017. The purpose of the VEBA is to provide Eligible Retirees with a monthly stipend credited to a health reimbursement account ("HRA") for the reimbursement of out-of-pocket qualified medical expenses such as premium costs, co-pay amounts, prescription drug costs, etc.

Also, in accordance with these Agreements, The VEBA is funded by the City of Detroit through a contribution of 2% of base salary earnings for all eligible employees working through December 2021 and continuing forward. The VEBA is governed by the Board of Trustees (the "Board"), who oversees operations and is sending you this letter.

The monthly credit amount deposited into an Eligible Retiree's HRA for 2025 is \$163 per month. The monthly credit amount will be deposited into an HRA on the first day of the month.

Below is an example of credits:

| Example: Jane Thomas retired on March 1, 2025 | | |
|---|------------------------|--------------|
| | Monthly Deposit Amount | Yearly Total |
| 2025 | \$163.00 X 10 months | \$1,630 |

Eligible Retirees are encouraged to submit their out-of-pocket qualified medical receipts **as soon as possible** from the 2025 calendar year. You will have 18 months from the date of service to submit claims. Going forward, participants should feel free to send in receipts and/or documentation of out-of-pocket qualified medical costs as accrued monthly. To facilitate this process, the VEBA has retained the services of **BeneSys, Inc.** to serve as its Third-Party Administrator. As Third-Party Administrator, **BeneSys** is responsible for administering the VEBA. These administrative services include, but not be limited to, administering the HRA's and processing receipts for all out-of-pocket qualified medical costs. Please be advised that HRA coverage through the VEBA is considered "other health coverage" and may result in your ineligibility for federal tax credits on the public exchanges. Therefore, if you are currently receiving federal tax credits through the public exchanges, you may elect to opt-out to preserve your eligibility for such tax credits on the public health exchanges.

For questions regarding the HRA program, please call **BeneSys** at (248) 641-4989 (**Do not call the City of Detroit Benefits Administration.**) Their hours of operation are 7:30 am- 4:30 pm Eastern Standard Time (EST), Monday - Friday. The Board of Trustees for the City of Detroit Non-Safety Retiree Healthcare Trust and union representatives have worked diligently with the VEBA representatives to establish this HRA program.

The VEBA is offering a Medicare Advantage Plan to eligible members over 65 and enrolled in Medicare Part A and Part B. The VEBA has partnered with Humana and is offering the **Humana Group Medicare Advantage PPO Plan**. The cost of this coverage will be paid using your monthly HRA Contribution so you will not have to pay anything out of pocket for the coverage itself. This is a wonderful opportunity for eligible members to gain group Medicare Advantage Coverage!

The VEBA has retained the Administrative Services of **TMR & Associates** to assist you in your enrollment into the Humana Group Medicare Advantage PPO (**again, do not call the City of Detroit Benefits Administration**). Please call **TMR at (313) 963-1135**. Their hours of operation are 8:30 a.m. to 4:30 p.m. Monday through Friday. They are also available to assist in person if needed. The Board of Trustees for the City of Detroit Non-Safety Retiree Healthcare Trust and union representatives have worked diligently with the VEBA representatives to establish this Humana Group Medicare Advantage PPO Plan.

Sincerely,

City of Detroit Post-2014 on-Safety Retiree Healthcare Trust