

CITY OF PONTIAC VEBA TRUST

FREQUENTLY ASKED QUESTIONS

1. **Who is eligible to receive benefits from the City of Pontiac VEBA?**
 - a. *Members of the class defined in the Settlement Agreement: retirees and vested deferred retirees, and their eligible spouses, surviving spouses and dependents, who were eligible for health insurance coverage on or before December 22, 2011.*
 - b. *On December 9, 2025, the Court expanded the Class to also include: certain eligible 50th District Court active employees and retirees; City employees with at least 10 years of service as a City employee as of December 2011, but who continued to work for the City and would have been otherwise eligible for health care benefits upon their retirement; and City employees who were terminated under a written Agreement executed by State appointed emergency managers and/or by the City, during the time period during which the City was subject to a Transition Advisory Board, pursuant to which retiree health care was to be provided.*

2. **Will I have to pay a premium for the VEBA insurance coverages?**
 - a. *No retiree is responsible for paying any part of the premium for these plans unless the VEBA plan has insufficient funds to provide the level of benefits and coverage specified in the Settlement Agreement in a given fiscal year.*

3. **What benefits will be provided by the City of Pontiac VEBA in 2026?**
 - a. *Medical and prescription drug coverage will be provided by Blue Cross Blue Shield of Michigan*
 - b. *Vision coverage will be provided by Blue Cross Blue Shield of Michigan*
 - c. *Dental coverage will be Delta Dental of Michigan*

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4. When is Open Enrollment for the Expanded Class of Eligible Members?

- a. *Enrollment kits will be mailed to you in late December 2025. If you are enrolling in the City of Pontiac VEBA benefits for the first time, you must return your Enrollment forms by January 31, 2026. If you are currently enrolled in the City of Pontiac VEBA, you do not have to fill out the enrollment forms.*

5. Will there be a meeting to discuss the 2026 Open Enrollment?

- a. *There will not be any meetings this year. If you have any questions, call (888) 644-4977 to speak with a BeneSys representative about the VEBA.*

6. How do I enroll during Open Enrollment?

- a. *Completed forms must be returned to BeneSys with the following options*

Mail to P.O. Box 4565, Troy, MI 48099-4565 with the return envelope enclosed postmarked by January 31, 2026.

Come into the BeneSys Office located at 700 Tower Drive, Suite 300, Troy, MI 48098 and drop off your enrollment form up until 4:30 p.m. on January 31, 2026.

Fax your enrollment form to BeneSys at (248) 813-9898 Attn. Eligibility Department.

Email your enrollment form to BeneSys at enrollmentdocs@benesys.com.

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- 7. Can I make changes to my coverage during the year?**
- a. *No. Open Enrollment for 2026 must be completed by January 31, 2026. If you want to make changes to your coverage or if you are a new enrollee, you must make a benefit election during the Open Enrollment period (January 2-January 31, 2026) to receive benefits effective March 1, 2026 by January 31, 2026. If you fail to enroll during the Open Enrollment period, you will not be able to enroll until the following year.*
- 8. Can I enroll in another prescription drug or medical plan during the year?**
- a. *If you enroll in another prescription drug or medical plan during the year you will lose your coverage through the VEBA and not be able to enroll again until the next Open Enrollment.*
- 9. I deferred my retirement before the December 22, 2011 cut-off for members of the class. When will I need to make a decision on the insurance or the opt-out provision?**
- a. *When you are eligible and apply for your pension, you will be given the opportunity to irrevocably choose whether to take the insurance benefit or the one-time opt-out payment.*
- 10. Can the VEBA insurance plans be changed?**
- a. *The VEBA Trustees have the flexibility to review comparable coverage and make decisions on better, comparable, equivalent and lower cost coverages.*
- 11. Do I have to take the City's insurance at the time it first becomes available? I'm an eligible City of Pontiac retiree, working for another company, and can continue to receive insurance through that company until I leave.**

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- a. *As an eligible retiree, you can elect to obtain insurance from the New VEBA at a later date as long as you have not taken the one-time opt-out payment.*

12. Is the Medicare Part B premium covered under the New VEBA plan?

- a. *No; it is the retiree's responsibility to pay the Medicare Part B premium.*

13. Am I required to be enrolled in Medicare to qualify for VEBA Medicare advantage medical coverage?

- a. *You must be enrolled in Medicare Part A and Part B to enroll in the Medicare Advantage Plan offered through the VEBA.*

14. When should I enroll in Medicare?

- a. *You should contact the Social Security Administration 3-6 months prior to turning 65 to enroll in your Medicare Part A and Part B. BeneSys will also send you an Enrollment Packet 3 months prior to your 65th birthday so you can elect the Medicare Advantage Plan through the VEBA.*

15. Am I required to provide proof of Medicare Part D creditable coverage?

- a. *You may be contacted by CMS to provide a certificate of creditable coverage for your prior Medicare Part D prescription drug coverage. If requested, you will need to either provide the certificate of creditable coverage or report that you did not have other creditable prescription drug coverage.*

16. Who do I contact to change my address?

- a. *Please contact BeneSys, the Third Party Administrator for the VEBA. You may send correspondence to BeneSys at P.O. Box 4565,*

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Troy, MI 48099-4565. You may also call (888) 644-4977 to speak with a BeneSys representative about the VEBA.

17. What does VEBA mean?

- a. A Voluntary Employees' Beneficiary Association (VEBA) plan is a type of tax-exempt trust used by its members and eligible dependents to pay for eligible medical expenses. The plan is typically funded by an employer.*

18. Who is eligible to receive the opt-out payment of \$20,000.00?

- a. Retirees and deferred vested retirees are eligible for the \$20,000 opt-out payment.*
- b. On December 9, 2025, the Court expanded opt-out eligibility to include a surviving spouse member whose deceased spouse or themselves have not received the opt-out payment for those class members who decline retiree health care coverage are eligible for the \$20,000 opt-out payment for a 90 day period commencing on the date of notification of eligibility for an opt-out payment and ending 90 days thereafter. Opt-Out forms must be received by March 23, 2026.*

19. If I decide to take the one-time \$20,000 payment will I have to pay taxes on this money?

- a. You need to consult with your tax advisor regarding the tax liability. The City will not be withholding any tax from the payout but will be providing IRS Forms 1099 to those selecting the one-time payment option.*