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 CPREA v. Pontiac Settlement Agreement Entered and Approved on November 19, 2018 as: 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; and,*
    b. *Members of the class defined in the December 2025 Second Amendment of and Supplement to the CPREA v. Pontiac Settlement Agreement Entered and Approved on November 19, 2018.*

2. **Will I have to pay a premium for the VEBA insurance coverage?**
    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 2027?**
    a. *Medical, prescription drug and hearing 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*
    d. ***NEW in 2027: Health Care Reimbursement Account administered by VariPro. You will automatically be enrolled in the HRA if you are currently enrolled in a Medical, Dental and/or Vision plan.***

4. When is Open Enrollment for 2027?

   Enrollment kits will be mailed to you in late October 2026. If you are enrolling in the City of Pontiac VEBA benefits for the first time, you must return your Enrollment forms by November 30, 2026.

5. Do I need to submit a form in order to be enrolled in any of the benefits?
   a. *Yes, If you are not already enrolled in a benefit, and you would like to make a change or add a benefit, then a new form **must** be submitted electing ALL of the benefits you would like to enroll in.*
   b. *No, if you are not making ANY changes or adding a benefit, then there is no need to submit a new form*

6. Will there be a meeting to discuss the 2027 Open Enrollment?

   Meetings this year will be Wednesday, November 18th, 2026 In person at the Bowen Center, 52 Bagley St., Pontiac, MI 48341. As well as a virtual meeting on Thursday, November 19th, 2026 beginning promptly at 2pm. Please see meeting communication included in your information packet.

7. How do I enroll during Open Enrollment?

Completed forms must be postmarked, emailed, or hand delivered to BeneSys with the following options:

***Mail** to P.O. Box 4565, Troy, MI 48099-4565 with the return envelope enclosed postmarked on or before by November 30, 2026.*

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

***Fax** your enrollment form on or before November 30, 2026 to BeneSys at (248) 813-9898 Attn. Eligibility Department.*

***Email** your enrollment form on or before November 30, 2026 to BeneSys; enrollmentdocs@benesys.com.*

8. Can I enroll in another prescription drug or medical plan during the year?

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?

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?

Yes, the VEBA Trustees have the exclusive authority to change benefits, as provided in Section 3 of the December 2025 Second Amendment of and Supplement to the CPREA v. Pontiac Settlement Agreement Entered and Approved on November 19, 2018. The VEBA Trustees may elect to provide enhanced retiree health care benefits at any time, as long as the VEBA is at least 115% funded

based on the VEBA's most recent actuarial analysis, taking into account all benefits provided by the VEBA on a year to year basis..

11. When will my 26-year-old child be removed from my benefits?

Your child's coverage ends the last day of the month they turn 26.

12. Will my disabled child be allowed to remain on my plan after age 26?

Yes, your disabled child may remain on the plan with proper documentation.

13. 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.

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.

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

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

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

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

16. When should I enroll in Medicare?

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.

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

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.

18. Who do I contact to change my address?

Please contact BeneSys, the Third-Party Administrator for the VEBA. You may send correspondence to BeneSys at P.O. Box 4565, Troy, MI 48099-4565. You may also call (888) 644-4977 to speak with a BeneSys representative about the VEBA.

19. What does VEBA mean?

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.

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

Only retirees and deferred vested retirees are eligible for the $20,000 opt-out payment. Certain surviving spouses are eligible to opt out, according to the *December 2025 Second Amendment of and Supplement to the CPREA v. Pontiac Settlement Agreement Entered and Approved on November 19, 2018.*

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

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.