

## Ask the Welfare Fund – October 2010

**Question:** I am an Assistant Principal in Queens. One of my teachers has said that the cost of my health benefits will be reported on my W2 form at the end of the year and that it will be taxed! Please say it isn't so!

**Answer:** OK, it isn't so. What your teacher is referring to is a requirement contained in the recently enacted Patient Protection and Affordable Care Act of 2010 (PPACA, also known as "health care reform") that, beginning with the 2011 taxable year. The value of your health benefits be included on your W2 form. So far, this is purely for information: apparently Congress wanted employees to understand the value of the health benefits they receive from an employer. So far, there are no plans to add the value of your benefits to your income and tax it as such, but stay tuned. Who knows what the next election will bring?

**Question:** I am a retired principal and have the GHI Enhanced Medicare Part-D drug Plan. I always got stuck in the middle of the "donut hole" and never used enough medications to come out of the hole. This year, I am already out of the donut hole and there are 3 more months left in the year. I seem to recall that the Welfare Fund could reimburse costs once I satisfied my out-of-pocket amount. Please refresh my memory.

**Answer:** Your memory is still very sharp. The Retiree Welfare Fund will reimburse up to \$ 5,000 in prescription drug co-payment once you satisfy your TrOOP ( out-of-pocket ) amount, which in 2010 is \$ 4,450. You are now paying 5% of the drug costs as a co-payment. Please send us a copy of the monthly statement you receive from Express Scripts and we will reimburse your co-payments, with no deductible, until you reach the full reimbursement of \$ 5,000. Please include all pages of the monthly Express Scripts report. The first page identifies you, but does not itemize your medications. The second ( and following ) pages show itemized drug usage, but does not identify the person who used the medications.

**Question:** I retired as and EA June 30, 2010. I have been getting my prescriptions through Express Scripts. When I attended your pre-retirement workshop, you said I should send the quarterly reports I receive from Express Scripts to the Welfare fund for reimbursement. I just received my first report. Do I send this to a particular person?

**Answer:** Thanks for attending the pre-retirement workshop, and remembering that the Fund reimburses prescription drug co-payments. Due to the volume of claims and paperwork, we ask that you wait until you receive the last report for the year ( covering October, November, and December ). Please make copies of all quarters and send the copies to the CSA Retiree Welfare Fund, 16 Court Street, 34<sup>th</sup> Floor, Brooklyn NY 11241. We will process them in the order they are received, and usually start reimbursements in mid- march, with all reimbursements made by the end of April.

**CORRECTION:** Thank you to all who called and emailed to correct me on the last sentence of the article regarding IRMAA reimbursements. The sentence should have said that 2009 IRMAA

reimbursements would be made in February and March of 2011 ( not 2010 as was printed). I apologize to all that were confused by this error.