

## USU's Retirement Healthcare Savings Plan

## FAQ's

For full plan rules, please refer to the Summary Plan Document (on the HR website) or come to the HR Office to discuss the full rules governing this Plan.

**Question:** Is the money I save in the Retirement Healthcare Savings Plan (RHSP) pre-tax, or post-tax savings?

**Answer:** The money is saved post-tax, but grows tax free and may be spent tax free on qualified medical expenses.

**Question:** What are qualified medical expenses?

**Answer:** The IRS defines these expenses. A list may be found at <http://www.usu.edu/hr/files/uploads/213%28d%29eligiblemedicalexpenses.pdf>

**Question:** Is this a health care plan, like an insurance plan?

**Answer:** No, this is a savings plan to save money to pay for medical expenses in retirement, like insurance premiums, Medicare premiums, out of pocket medical expenses, etc.

**Question:** When will the money be vested, and when can I use it?

**Answer:** The money will be vested immediately, but it will not be available to you or your dependents until you terminate employment at USU, or retire from USU.

**Question:** Is this a Supplemental Retirement Account, like a 403(b) or a 457?

**Answer:** No, the money is held in a Trust, to be used solely for future medical expenses. It may only be used by you, or your dependents, for qualified medical expenses, after you have terminated employment at USU.

**Question:** What happens if I quit working at USU – can I roll the money into another plan?

**Answer:** You can't roll the money into another account, but since you have terminated employment at USU, you will be able to use any funds accumulated in the account to pay for qualified medical expenses.

**Question:** Is there a limit to how much money I can save in this plan?

**Answer:** No, but because it is placed in a Trust and is available only to you and qualified dependents, to spend on qualified medical expenses after termination, you should carefully determine how much money to put into this account.

**Question:** Is there a minimum amount I must save each year in this plan?

**Answer:** Yes, there is a minimum amount of \$200.00 per year

**Question:** How is the money invested?

**Answer:** You have two (2) choices of investments – the TIAA-CREF Money Market fund, or a TIAA-CREF Life-cycle fund.

**Question:** Can I adjust how much money I save each month? And when can I start this savings plan?

**Answer:** Yes, you may change the amount you save, at any time during the year. You may start this savings plan at any time during the year.

**Question:** Who manages the savings account?

**Answer:** This is a TIAA-CREF product.

**Question:** What happens to money in my account if I die?

**Answer:** If you die without dependents, the money will revert to the Trust. If you have dependents and die before you terminate employment, your dependents will immediately become entitled to use the funds in your account for qualified medical expenses. If you die after terminating employment, all of the money in your account will be available to your surviving spouse or dependents to use for qualified medical expenses.

**Question:** Are there fees for this savings plan?

**Answer:** Yes, beginning 1/1/2011 there is a per participant annual fee of \$25, and for “claims active participants” (those who are eligible to receive benefits) there is an annual fee of \$60. During the remainder of 2010, there is no fee for this savings plan.

**Question:** Where can I get a full description of this savings plan?

**Answer:** The full Summary Plan Document is available on the HR website ([www.usu.edu/hr/benefits](http://www.usu.edu/hr/benefits)) or by calling the Human Resources office at 435-797-0216.