



Dear Retired Benefit Trust Participants,

RE: 2025 Verification of Premium Payments for Reimbursement

This letter is intended to inform you of a change that is now necessary for the verification of your health insurance premium expenses.

The needed change is: When you submit your monthly premium verification form and proof of January Premiums by January 31 of each year (starting January 31, 2026), you will need to include proof of payment of all monthly Premiums for the **previous year**.

What does this actually mean?

Currently you have been submitting premium verification from a third party (Your insurance company, bank statements, credit card statements, canceled checks, etc.) for only the month of January of the current year. Your monthly benefit for the remainder of the year is based on your January proof of payment.

The change:

It is now necessary for you to include with your January verification form and documentation (starting in January 2026), your proof of payment of Premium expenses for each month of the previous year in order to continue your benefit for the current year, i.e., proof of payment of February through December Premium payments.

As an example:

By January 31, 2026, you will need to submit proof of your payment of Premium expenses for February 2025 through January 2026. This means you will need to collect and keep your proof of payment records (monthly, quarterly, semi-annual, or yearly) during the year and submit them to the Trust Office in January 2026, and annually in January thereafter. You can also submit your proof of payment each month as you pay it, or on any other schedule that works for you, but the Trust Office must receive proof of payment of each monthly Premium by the following January 31.

The purpose of this change is to prove that you actually paid a reimbursable expense during the year. Situations change for many of our participants, and they often forget to inform the Trust Office of these changes. These situations could cause all Trust benefit payments to lose their tax-free status should the Trust be audited by the IRS.

The bottom line: We need to know that the funds we reimbursed to you throughout the year were actually paid by you for qualified Premiums.

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Dr. 7/11/24

We are in the process of revising our premium verification form to reflect these changes, which will be available in January 2025.

SAVE YOUR PREMIUM PAYMENT RECORDS!!!

Exceptions:

Medicare premiums deducted from Social Security or Railroad Retirement payments. Because you receive only one annual statement showing the monthly deduction for Medicare payments, you can submit that statement by January 31 of the year of the Medicare coverage, and we will reimburse you monthly for that amount for the rest of the year. **You do not need to submit any other documentation**, unless your Medicare premium is paid via check or ACH payment. This exception applies to all Medicare premiums, i.e., Parts A, B and D. Please note that the exception does not apply to Medicare Supplemental or Medigap premiums. If your Medicare premium changes during the year (e.g., a spouse is added to Medicare during the year or a spouse dies), then you must submit the new statement and a new claim form to the Trust Office within 30 days of receipt.

Annual Premium Payments. If you pay your insurance premium in one lump sum annually for an entire year of coverage, then you can submit a claim form, third party documentation of insurance coverage, and proof of premium payment just once per year after making your annual payment; you do not need to resubmit this same documentation each month. The Trust Office will reimburse your annual premium payment up to your monthly Benefit Amount each month until the annual premium is reimbursed in full.

As always, if you have any questions concerning this change, please contact the Trust Office.

Thank you,

Trust Office
Santa Monica City Employees Coalition Benefit Trust
c/o Benefit Programs Administration