

WKRFA Agenda Item.

Agenda Item	2026 Resolution review
Background	The Board approved certain resolution in October 2024 <ul style="list-style-type: none">• 2024-01 establishing meeting dates (Third Thursday)• 2024-02 Agent to receive claims- (Brian Snure)• 2024-03 Auditing Officer (current process is to elect a board member to this officer position each year with the board chair, vice chair and secretary)
Discussion items	Discussion and agreement to maintain or change?
Proposal(s)	

WEST KLICKITAT REGIONAL FIRE AUTHORITY
RESOLUTION 2024-01
ESTABLISHING REGULAR MEETING SCHEDULE
(RCW 42.30.070)

A RESOLUTION of the West Klickitat Regional Fire Authority Governing Board establishing the regular meeting schedule of the Governing Board.

WHEREAS, RCW 42.30.070 and the West Klickitat Regional Fire Authority Governing Board Bylaws requires the Governing Board to establish its regular meeting schedule by Resolution.

RESOLUTION: NOW THEREFORE, BE IT RESOLVED, that the Governing Board of the West Klickitat Regional Fire Authority does hereby adopt the following schedule for the regular monthly meetings of the West Klickitat Regional Fire Authority Governing Board.

The 3rd THURSDAY of every month, commencing at 18:30 (6:30pm)

At the White Salmon Fire station (119 NE Church Street, White Salmon WA 98672).

Adoption: ADOPTED by the Governing Board of West Klickitat Regional Fire Authority, at a special open public meeting of such Board on the 30th day of September, 2024 the following Board Members being present and voting:



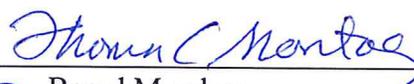
Board Member



Board Member



Board Member



Board Member



Board Member



Board Member

AFTER RECORDING PLEASE RETURN TO:

Brian K. Snure
612 S.227th St. Des Moines. WA 98198

**WEST KLICKITAT REGIONAL FIRE AUTHORITY
RESOLUTION 2024-02
APPOINTMENT OF AGENT TO RECEIVE CLAIMS
(RCW 4.96.020)**

A RESOLUTION of the West Klickitat Regional Fire Authority Governing Board appointing an agent to receive claims.

WHEREAS, pursuant to the provisions of RCW 4.96.020 the governing body of each local governmental entity shall appoint an agent to receive any claim for damages made under chapter 4.96 RCW.

WHEREAS, all claims for damages against a local governmental entity, or against any local governmental entity's Board Members, officers, employees, or volunteers, acting in such capacity, shall be presented to the agent within the applicable period of limitations within which an action must be commenced.

RESOLUTION: NOW THEREFORE, BE IT RESOLVED, that the Governing Board of the West Klickitat Regional Fire Authority does hereby

1. Appoint the below listed agent to receive any claims for damages made under chapter 4.96 RCW.

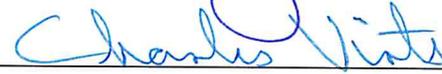
Agent Appointed: Brian K. Snure
Office Address: 612 S.227th St. Des Moines, WA 98198
Business Hours: 8:00am – 4:00pm

2. A duplicate original of this Resolution shall be recorded with the Klickitat County Auditor.

Adoption: ADOPTED by the Governing Board of West Klickitat Regional Fire Authority, at a special open public meeting of such Board on the 30th day of September 2024 the following Board Members being present and voting:



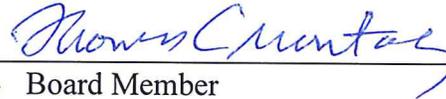
Board Member



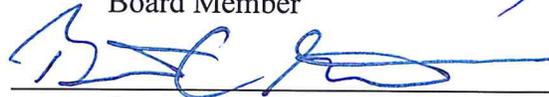
Board Member



Board Member



Board Member



Board Member



Board Member

WEST KLICKITAT REGIONAL FIRE AUTHORITY

RESOLUTION 2024-03

APPOINTING AUDITING OFFICER

A RESOLUTION of the West Klickitat Regional Fire Authority Governing Board appointing an auditing officer.

WHEREAS, the West Klickitat Regional Fire Authority maintains various funds with Klickitat County.

WHEREAS, the West Klickitat Regional Fire Authority must audit all claims presented against the RFA for materials furnished, services supplied and all claims for reimbursement expenses.

WHEREAS, RCW 42.24.080 requires the Governing Board to formally appoint an Auditing Officer to perform the auditing functions.

RESOLUTION: NOW THEREFORE, BE IT RESOLVED, that the Governing Board of West Klickitat Regional Fire Authority herby:

1. Appoints an elected Governing Board Member as the Auditing Officer for the West Klickitat Regional Fire Authority.
2. In the absence of the elected Governing Board Member the Board Chair shall designate an acting Auditing Officer.

Adoption: Adopted by the Governing Board of West Klickitat Regional Fire Authority, at a special open public meeting of such Board on the 30th day of September, 2024 the following Board Members being present and voting:



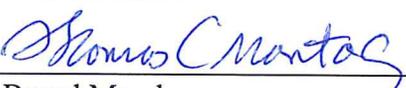
Board Member



Board Member



Board Member



Board Member



Board Member



Board Member

RCW 42.24.080

Municipal corporations and political subdivisions—Claims against for contractual purposes—Auditing and payment—Forms—Authentication and certification.

(1) All claims presented against any county, city, district or other municipal corporation or political subdivision by persons furnishing materials, rendering services or performing labor, or for any other contractual purpose, shall be audited, before payment, by an auditing officer elected or appointed pursuant to statute or, in the absence of statute, an appropriate charter provision, ordinance or resolution of the municipal corporation or political subdivision. Such claims shall be prepared for audit and payment on a form and in the manner prescribed by the state auditor. The form shall provide for the authentication and certification by such auditing officer that the materials have been furnished, the services rendered, the labor performed as described, or that any advance payment is due and payable pursuant to a contract or is available as an option for full or partial fulfillment of a contractual obligation, and that the claim is a just, due and unpaid obligation against the municipal corporation or political subdivision. No claim shall be paid without such authentication and certification.

(2) Certification as to claims of officers and employees of a county, city, district or other municipal corporation or political subdivision, for services rendered, shall be made by the person charged with preparing and submitting vouchers for payment of services. He or she shall certify that the claim is just, true and unpaid, and that certification shall be part of the voucher.

WKRFA Agenda Item.

Agenda Item	2026 Benefits
Background	<p>The WKRFA Board has asked for more information on the following: Health Reimbursement Account (HRA), Flexible Spending Account (FSA), and Voluntary Employees' Benefit Association (HRAveba).</p> <p>WKRFA participates in the Washington Fire Commissioners Association's Health Care Program which does offer two of the three options below.</p> <p>HRA – Offered by the WFCA and is fully funded by the agency and the board determines the parameters on how the funds are spent.</p> <p>FSA – Offered by the WFCA and funded by the employee (employer may choose to contribute).</p> <p>HRAveba – Not offered by the WFCA and is funded by the agency. Here are some helpful links to companies that were referred to us:</p> <p>https://bpas.com/employers/services/veba-hrahsa</p> <p>HRAveba.org</p> <p>*Informational flyers are attached</p>
Discussion items	
Proposal	



Comparing HSAs, HRAs, and Health FSAs

The following chart provides a summary of tax and related compliance issues for HSAs, HRAs, and Health FSAs.¹ Code issues are presented first, followed by issues raised by ERISA (for ERISA-covered employers), and then issues raised by other laws.

Plan Design or Compliance Issue	HSAs	HRAs	Health FSAs
Internal Revenue Code			
Who is eligible?	Any individual who is covered under an HDHP (as defined in Code §223), is not entitled to Medicare, and cannot be claimed as a tax dependent. With certain exceptions, the individual cannot have any non-HDHP health coverage.	Any employee, subject to employer-designed exclusions. Eligibility may or may not be tied to HDHC. ²	Any employee, subject to employer-designed exclusions.
Are self-employed individuals (including sole proprietors, partners in a partnership, and more-than-2% shareholders in a Subchapter S corporation) eligible?	Yes. But they will not be eligible to participate in a cafeteria plan used to fund HSAs in the workplace.	No.	No.
Is funding with cafeteria plan salary reductions permitted?	Yes, but limited.	Not for HRA, but it is permitted for HDHC.	Yes, but limited after 2012.
Who can contribute?	HSA holder or any other person (including holder's employer or family member).	Employer only (except for COBRA premiums and possibly other employee after-tax contributions).	Employer or employee.
Can unused amounts be carried over to the next year?	Yes.	Yes.	Generally no, but may amend plans to allow carryover of up to \$640, or a grace period of up to 2-1/2 months during which claims may be incurred.

Plan Design or Compliance Issue	HSAs	HRAs	Health FSAs
What medical expenses are eligible for reimbursement?	Otherwise unreimbursed Code §213(d) medical expenses of account holder, spouse, and dependents incurred after HSA established, ³ other than insurance premiums (with limited exceptions for COBRA coverage, long-term care insurance, health coverage while drawing unemployment compensation, and, if 65 or older, any health insurance except a Medicare supplemental policy).	Otherwise unreimbursed Code §213(d) medical expenses of employee, spouse, children under age 27 and dependents, incurred while coverage is in effect, including premiums for eligible health insurance and long-term care insurance, subject to employer-designed limitations. Cannot reimburse qualified long-term care services so long as the HRA is an FSA.	Otherwise unreimbursed Code §213(d) medical expenses of employee, spouse, children under age 27 and dependents, incurred during the coverage period. Cannot reimburse insurance premiums. Cannot reimburse qualified long-term care services.
Are distributions (or cash-outs) for nonmedical expenses permitted?	Yes. Distributions cannot be restricted to pay or reimburse only qualified medical expenses. However, distributions for nonmedical expenses are taxable and subject to a 20% excise tax (certain exceptions apply).	No.	No.
Must coverage be elected/ provided for a full 12-month period, and are there prohibitions on midyear changes?	Not for an HSA. IRS guidance confirms that the 12-month coverage and election change rules do not apply even for HSAs offered through a cafeteria plan. Yes, for an HDHP funded through a cafeteria plan.	Not for an HRA. Yes, for an HDHP funded through a cafeteria plan.	Yes.

Plan Design or Compliance Issue	HSA's	HRA's	Health FSAs
Do the uniform coverage rules apply, requiring the annual coverage amount to be available as of the first day of the plan year?	No. But IRS guidance indicates that employers may choose to accelerate funding of HSA salary reduction elections under a cafeteria plan, or of employer HSA contributions outside of a cafeteria plan, so long as certain requirements are met.	No. Coverage may be prorated by plan design (e.g., employee has \$100 credited to a bookkeeping account each month).	Yes.
Can amounts that are unused at termination of active employment continue to be spent down?	Yes. HSA's are nonforfeitable and portable.	Yes. HRA can permit unused amounts to be used until depleted to pay for claims incurred after termination (COBRA may also apply).	Generally no. Cannot use unused amounts to pay for claims incurred after termination (except as COBRA or a plan's grace period may allow).
To be reimbursable, must claims be incurred during current period of coverage?	No. Distributions for qualifying medical expenses will be tax-free if incurred at any time after the HSA is established. State trust law determines when an HSA is established.	Yes, but there's a big exception. Claims incurred but not reimbursed due to an insufficient HRA balance can be reimbursed in subsequent year if the individual was a participant when the claims were incurred and is still a participant.	Yes.
Is expense substantiation required?	Yes. HSA account holder must retain records.	Yes.	Yes.
Is independent claims adjudication required? That is, must someone other than the covered employee/ individual process and approve the claim?	No.	Yes.	Yes.

Plan Design or Compliance Issue	HSAs	HRAs	Health FSAs
Can an individual participate in more than one of these vehicles at the same time?	A traditional, general-purpose health FSA or HRA will make an individual ineligible for an HSA. But a specially designed health FSA or HRA will not prevent HSA eligibility.	An employee who is covered by an HRA may also participate in a health FSA. A traditional, general-purpose HRA will make an individual ineligible for an HSA. But a limited-purpose HRA, a high-deductible HRA, a suspended HRA or a retirement HRA will not prevent HSA eligibility.	An employee who is covered by a health FSA may also participate in an HRA. A traditional, general-purpose health FSA will make an individual ineligible for an HSA. But a limited-purpose health FSA or a high-deductible health FSA will not prevent HSA eligibility.
Are there ordering rules that apply?	No. HRA or health FSA participants do not need to exhaust their HSAs before seeking payment or reimbursement through the HRA or health FSA. (Note: The box above describes the limited HRA or health FSA designs that do not interfere with HSA eligibility.) Cannot reimburse expenses that have been reimbursed elsewhere.	Yes. Generally, health FSAs must be payors of last resort vis-a-vis an HRA. But HRAs and health FSAs can be drafted to require that the HRA pays only after health FSA amounts are exhausted. Cannot reimburse expenses that have been reimbursed elsewhere.	Yes. Generally, health FSAs must be payors of last resort vis-a-vis an HRA. But HRAs and health FSAs can be drafted to require that the HRA pays only after health FSA amounts are exhausted. Cannot reimburse expenses that have been reimbursed elsewhere.
Do Code §105(h) nondiscrimination requirements apply?	No, for an HSA, but employer contributions made outside a cafeteria plan are subject to comparability requirements. Yes, for a self-insured HDHP.	Yes.	Yes.
Do Code §125 nondiscrimination requirements apply?	Yes, for an HSA or HDHP offered under a cafeteria plan.	No. HRAs cannot be offered under a cafeteria plan. But the nondiscrimination rules will apply to HDHC offered under a cafeteria plan.	Yes, for health FSAs offered under a cafeteria plan.

Plan Design or Compliance Issue	HSA's	HRAs	Health FSAs
Is a trust account required?	Yes.	No, not by the Code, but possibly by ERISA (e.g., unclear if trust required for COBRA premiums or any other after-tax contributions).	No, not by the Code, but possibly by ERISA (no trust if health FSA complies with ERISA Tech. Rel. 92-01, including that reimbursements are made directly out of the general assets of the employer).
Are account earnings taxable?	No (except unrelated business income will be taxed under Code §511).	If reimbursements are made directly out of the general assets of the employer and account funds are not set aside in a separate account, there are no earnings to be taxed. If funds are deposited in a VEBA, earnings generally are not taxable.	If reimbursements are made directly out of the general assets of the employer and account funds are not set aside in a separate account, there are no earnings to be taxed. If funds are deposited in a VEBA, earnings generally are not taxable.
May debit cards be used?	Yes.	Yes.	Yes.
ERISA (for ERISA-covered employers)			
Is it an ERISA plan? (If a plan is subject to ERISA, various requirements will apply. We highlight a few of those requirements below.)	Generally no, unless employer takes action that triggers ERISA under DOL guidance. Employer contributions alone do not trigger ERISA.	Yes, unless plan maintained by governmental entity or church (ERISA does not apply).	Yes, unless plan maintained by governmental entity or church (ERISA does not apply).
Is there a funding requirement?	The Code requires that HSA contributions be put in a trust or custodial account. ERISA's trust requirements will also apply to an employer-sponsored HSA that is an ERISA plan.	No. Employers may decide to fund (i.e., set aside funds) as potential liability increases. But any such funding may invoke ERISA's trust requirement if amounts are segregated from general assets.	No. Although there is no requirement to set funds aside in a separate account, an employer may choose to do so. But any such funding may invoke ERISA's trust requirement if amounts are segregated from general assets.

Plan Design or Compliance Issue	HSA	HRA	Health FSA
Are there plan assets for ERISA purposes?	Generally, no. But yes for an employer-sponsored HSA that is an ERISA plan (i.e., employer contributions and employees' pre-tax salary reductions would be plan assets).	With no employee contributions, HRAs generally do not have plan assets so long as all reimbursements are paid directly out of general assets of the employer and not from a special fund segregated from the general assets of the employer.	Yes. Even for plans that are treated as "unfunded" under ERISA Tech. Rel. 92-1, salary reduction amounts are plan assets for purposes of ERISA's exclusive benefit and fiduciary duty rules.
Is an ERISA Form 5500 required to be filed?	Generally, no. Presumably yes for an employer-sponsored HSA that is an ERISA plan. But because HSAs are individual trusts or custodial accounts, it is uncertain how an employer would be required to comply with its Form 5500 obligation.	Yes. Exception for small (fewer than 100 participants) unfunded plan.	Yes. Exception for small (fewer than 100 participants) unfunded plan.
Do ERISA SPD and other disclosures, and adherence to ERISA's benefit claims procedures, apply?	Generally, no. Yes for an employer-sponsored HSA that is an ERISA plan. How ERISA claims procedures would apply is uncertain since HSA claims are generally self-adjudicated.	Yes.	Yes.
Do ERISA fiduciary rules apply?	Generally, no. Yes for an employer-sponsored HSA that is an ERISA plan.	Yes.	Yes.
Is a plan document required?	Generally, no. Yes for an employer-sponsored HSA that is an ERISA plan.	Yes.	Yes.
Other Laws			
Do HIPAA's portability, certificates of creditable coverage, and health status nondiscrimination provisions apply?	Yes, for an HDHP and maybe for an employer-sponsored HSA that is an ERISA plan. Special rules apply to governmental plans and to church plans.	Yes. Exception for HRAs that fall within the technical definition of a health FSA.	Yes. Exception for most (not all) health FSAs funded with salary reductions.

Plan Design or Compliance Issue	HSAs	HRAs	Health FSAs
Do HIPAA's administrative simplification (including privacy) provisions apply?	Yes, for an HDHP and for an employer-sponsored HSA that is an ERISA plan. Maybe for an HSA that is not an ERISA plan.	Yes.	Yes.
Does COBRA apply?	Generally no, for HSAs. But there is some uncertainty as to whether ERISA's COBRA provisions may apply to an HSA that is an ERISA plan and whether PHSAs' COBRA provisions may apply to HSAs sponsored by state and local government employers. Yes, for HDHP.	Yes. Rarely, an HRA providing ≤ \$500 in coverage will satisfy the terms of the special rule limiting COBRA obligations for qualifying health FSAs.	Yes. But there is a special rule limiting COBRA obligations for qualifying health FSAs.
Are Creditable Coverage Disclosures Required Under Medicare Part D?	No, for HSAs. Yes, for HDHP.	Yes.	No.
Do the Medicare Secondary Payer (MSP) reporting rules apply?	No.	Yes (but no reporting until 4th quarter 2010).	No.

¹Note that when an HRA is coupled with HDHC, the combined arrangement may look and operate very much like an HSA. There are significant differences, however. For example, HDHC coverage that is provided in conjunction with an HRA does not need to qualify as HSA-eligible HDHP coverage under Code §223. Sponsors of an HRA+HDHC arrangement have more freedom in plan design (e.g., the HDHC deductible is not required to be within the range prescribed by Code §223 for an HSA+HDHP). But unlike HSAs, which do not have an independent claims adjudication requirement, no reimbursements can be made under an HRA (or a health FSA) without independent claims adjudication. Finally, employee contributions cannot be made to an HRA on a pre-tax salary reduction or other tax-advantaged basis, while HSAs may be funded through deductible employee contributions.

²HDHC means high-deductible health coverage. Employers that have HRAs often couple them with HDHC, limiting HRA eligibility to those employees who elect HDHC. Note that HDHC does not need to satisfy the deductible or other requirements of Code §223 for an HSA-qualified HDHP (high-deductible health plan).

³There is a limited exception in IRS Notice 2004-25 for HSAs that are established for 2004.

Why Choose HRA VEBA Plan?

Features & Benefits to Consider	HRA VEBA Plan	Other HRAs ¹
Non-dependent survivor benefit <ul style="list-style-type: none"> Your spouse, dependents, beneficiaries, or other survivors can receive benefits! 		X
Long-term, successful track-record <ul style="list-style-type: none"> First funded HRA provider in the nation 30+ years providing HRAs 630+ participating employers 		X
Turn-key set up, administration, and compliance		?
In-house compliance team specializing in HRA administration		?
Your own dedicated HRA consultant <ul style="list-style-type: none"> On-site technical & compliance support Plan design structure and review Personalized education for employees 		?
Local, specialized customer care center <ul style="list-style-type: none"> Expertise is exclusively focused on HRAs Center of Excellence Award 		?
Fee discount for participants with larger account balances		?
Mobile app <ul style="list-style-type: none"> Submit claims Set up automatic premium reimbursements Change investments Update account information 		?
Free debit card <ul style="list-style-type: none"> Easy point-of-service payment for qualified expenses Most transactions automatically verified 		?
Paperless enrollment (online & census)		?
Multiple, high-quality investment options <ul style="list-style-type: none"> Pre-mixed portfolios and do-it-yourself options available 		?

¹ This plan comparison is based on general information about other known funded HRA programs offered in the Northwest.

HRA • HSA • FSA Comparison

Shaded boxes indicate which plan type may provide greater participant advantage or, in some cases, more flexibility with regard to the design element being compared.¹

Eligibility & Funding	HRA	HSA	FSA (health care)
Establishment of account	Any employer ²	<ul style="list-style-type: none"> • Eligible individual • Employer • Integrate with employer-sponsored Section 125 Plan 	Employer sponsored benefit program via Section 125
High deductible health plan (HDHP) required	No	Yes Minimum statutory deductible: 2025 <ul style="list-style-type: none"> • \$1,650 self only • \$3,300 family 2026 <ul style="list-style-type: none"> • \$1,700 self only • \$3,400 family 	No
Eligibility	Employee who meets employer's defined eligibility criteria ³	Eligible employee/ individual covered by HDHP and no other non-HDHP coverage	Employee who meets employer's eligibility criteria
Funding	Employer	<ul style="list-style-type: none"> • Individual • Employee salary reduction dollars • Employer 	<ul style="list-style-type: none"> • Employee salary reduction dollars • Employer
Maximum contribution	No maximum	2025 <ul style="list-style-type: none"> • \$4,300 self only • \$8,550 family 2026 <ul style="list-style-type: none"> • \$4,400 self only • \$8,750 family \$1,000 annual catch-up	Annual limit on salary reduction contributions: 2025 <ul style="list-style-type: none"> • \$4,300 self only 2026 <ul style="list-style-type: none"> • \$4,400 self only

¹ Be advised that some design elements offering the most flexibility may impose other requirements, such as tax penalties or medical coverage limitations, which may not be in the participant's best interest. It is important to carefully consider all plan features and benefits before choosing one over the other.

² Of the two types of HRAs, funded and notional (unfunded), funded HRAs are most common among governmental employers due to the immediate tax advantage enjoyed by governmental employers at the time contributions are made. Notional HRAs are most common among for-profit employers since they usually cannot take a tax deduction until after funds are paid out as claims. Thus, in most cases, there is little reason for a for-profit employer to use a funded HRA over a notional HRA.

³ In addition to meeting the employer's defined eligibility criteria, participants in an integrated HRA must be eligible to enroll in their employer's qualified group health plan and either (a) be enrolled in or covered by that plan or (b) attest to the employer that they are enrolled in or covered by another qualified group health plan.

Taxation	HRA	HSA	FSA (health care)
Taxation of contributions	No federal or state income tax ⁴ or Social Security/Medicare taxes	No federal or state income tax ⁴ or Social Security/Medicare taxes	No federal or state income tax ⁴ or Social Security/Medicare taxes
Taxation of earnings (assuming assets are invested)	Tax-free if assets are held in a tax-exempt trust	Withdrawals for non-medical expenses result in federal and/or state income tax, plus an excise tax if before age 65	To employer if assets held in employer general asset accounts that are generating earnings
FICA savings	Yes	Yes / No	Yes

Account Use	HRA	HSA	FSA (health care)
Qualified medical expenses	Qualified medical expenses as defined under IRC 213(d), including over-the-counter drugs if prescribed	Qualified medical expenses as defined under IRC 213(d), including over-the-counter drugs if prescribed	Qualified medical expenses as defined under IRC 213(d), including over-the-counter drugs if prescribed
Non-medical withdrawals	Not allowed	Yes, but will be included in gross income and subject to 20% excise tax, unless made after death, disability, or age 65	Not allowed
Qualified retiree insurance premiums	Retiree health insurance, including qualified long-term care (LTC) insurance premiums (subject to annual IRS limits)	Only for: <ul style="list-style-type: none"> • Post-65 health insurance (except Medicare supplement policies) • Medicare • COBRA • Qualified long-term care (LTC) • Health insurance, if receiving unemployment 	None
Carryover from year to year	Yes	Yes	Depends on the employer's plan design; an annual carryover amount subject to IRS rules may apply ⁵
Portable after termination	Yes (if vested)	Yes	No

⁴ State taxes could apply in some states.

⁵ Other exceptions may apply as permitted by federal COVID-19 pandemic relief.



More Information

HRAveba.org

Ask Questions

1-888-659-8828





HRA Funding Sources

The HRA VEBA Plan can provide lasting value and be a smart addition to any employee benefits package. In many cases, employers contribute funds that would otherwise be paid to employees as taxable income. The resulting payroll tax savings are a win-win.

HRA eligibility and funding sources are often the result of a group vote. Implementation is usually subject to employer policy or collective bargaining. IRS rules don't permit individual elections. All eligible employees must participate. Also, eligibility criteria and contributions must not favor highly compensated individuals (HCIs). HCIs are generally your top 25% wage earners.

Start with the basics.

Here are several of the most common HRA funding sources.

- Sick leave, vacation, PTO cash outs (annually or upon separation or retirement)
- Mandatory employee contributions (group salary reduction)¹
- Part or all of a COLA or pay raise¹
- Direct employer contributions (to offset higher medical deductibles, copays, etc.)¹
- Excess or leftover benefit dollars

HRAveba.org

Plan consulting and local service provided by:



Gallagher

Insurance | Risk Management | Consulting

Want to learn more?

Contact your Gallagher representative, call our Spokane office at **1-800-888-8322**, or visit **HRAveba.org** and click **Plan Adoption & New Funding**.

Then, get creative.

As healthcare costs go up, many groups are looking for ways to funnel more dollars into their HRAs. For example, HRA contributions triggered by voluntary employee actions, such as submitting notice of retirement, provide added benefit and can help drive positive outcomes. Contributions can be made monthly, annually, or as one-time incentives.

In today's competitive landscape, thinking outside the box is more important than ever to attract and retain top talent. Employers are looking for ways to provide value-added benefits at the bargaining table, promote longevity, and retain valued employees. Adding new and innovative HRA VEBA Plan funding methods can help reach these desired outcomes. Here are a few examples:

1. **Encourage enrollment in lower-cost medical plan**
2. **Incentive to opt out of employer-sponsored medical plan²**
3. **Reward for wellness plan participation**
4. **Longevity bonuses³**

Healthcare expenses are on the rise, both for active employees and retirees. Finding creative ways to implement tax-free benefits can result in winning solutions: a win for the employer in providing a benefit enhancement with a competitive edge, and a win for employees by enjoying an added benefit and gaining peace of mind knowing they are better prepared to tackle the growing cost of health care.

Contact your local Gallagher client consultant to learn more about the benefits of expanding your HRA VEBA Plan funding.

¹ To avoid discrimination in favor of your highly compensated employees, mandatory employee, direct employer, and COLA or pay raise contributions should be flat-dollar amounts (not a percent of pay). ² Employee must certify that he/she has other qualified group health plan coverage. ³ Longevity bonus funding should likely be limited to union groups.



Want to learn more?

Contact your Gallagher representative, call our Spokane office at **1-800-888-8322**, or visit **HRAveba.org** and click **Plan Adoption & New Funding**.

HRA Basics



Health Reimbursement Arrangement

An HRA is a **tax-free account** that **puts you in control** of your family's healthcare spending¹. It's easy to use, and it's a smart way to save up for medical bills, including retiree insurance premiums. Plus, you never pay any taxes on the money going in or coming out. That's the **best tax advantage** there is—even better than tax-deferred 457, 403(b), and 401(k) plans!

- Pay no income or FICA taxes
- Choose your investments
- Get your money fast
- No use-or-lose or carryover limits



I didn't have enough money to purchase my contact lenses and my prescription medication. I was able to use my HRA money. What a relief!

HRA Participant



How It Works

1. Your employer **sends tax-free money** to your HRA². Often, these funds would have otherwise been paid to you as taxable income. Your employer might also contribute funds in place of some other tax-free employee benefit.
2. You choose how you want to **invest your HRA funds** using the available fund lineup.
3. Depending on your plan³, you can **use your money right away or save it up for later**, such as during retirement.
4. If you pass away, your HRA can transfer to your surviving spouse, children, or other survivors. Most other HRA plans can't offer this.

¹ Your HRA covers you, your spouse, and dependents, including your adult children through the end of the calendar year in which they turn age 26. ² IRS rules require all eligible employees to participate (no individual elections). ³ Your HRA may be subject to post-separation benefits only or other limitations depending on your employer's plan design or any limited HRA coverage elections you may make.



How It Helps

Are you struggling to cope with the cost of **doctor visits, prescriptions, new glasses or contacts, or braces for the kids**? Will you and your spouse be able to afford medical premiums up to **\$1,000 or more per month** if you want to retire before age 65?

“ *This plan helped me retire a few years early and pay insurance premiums until Medicare kicks in.*

HRA Participant ”

Many participants use their HRAs to reimburse **retiree insurance premiums** and the cost of medical care items and services they wouldn't be able to afford otherwise, like **power chairs, hearing aids, expensive vision and dental care, and emergency medical bills.**



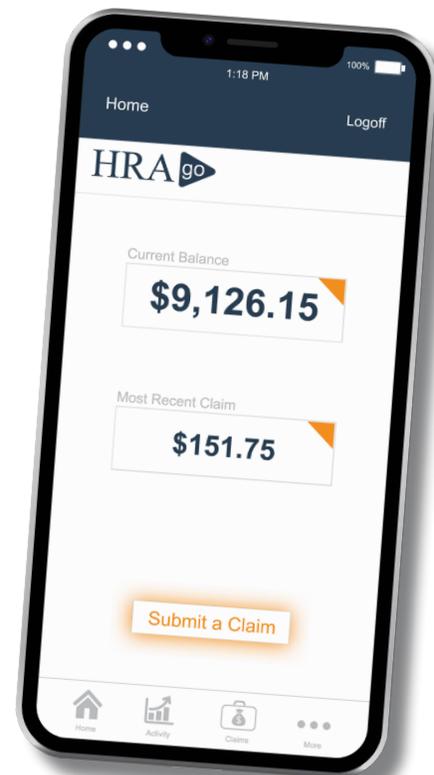
Using Your HRA

Managing and using your HRA is now easier than ever!

- Fast online and mobile claims
- Handy mobile app (HRAgo®)
- Free debit card
- Secure e-statements

Ready to file a claim? Log in online and click **Claims**, or use **HRAgo** and do it “on the go.” With HRAgo, you can quickly snap pics of supporting documentation and submit claims right from your mobile device. We'll process your claim in about five to seven business days.

Are you a retiree? We can automatically reimburse your monthly insurance premiums, including Medicare premiums. Log in online and, click **Claims**. Then, click the **Set up an Automatic Premium Reimbursement** button.



More Information

HRAveba.org

Ask Questions

1-888-659-8828



The HRA VEBA Plan is a group health plan. Plan administrative fees are \$1.50 (if claims-eligible) or \$0.75 (if not claims eligible) per month, plus an annualized asset-based fee of about 1.00%. The monthly fee is waived if your account balance is more than \$5,000. In addition, a 0.25% asset-based fee discount applies to any portion of your account balance in excess of \$10,000. Please refer to the HRA VEBA Plan Summary for more details.

Help Firefighters Cover Retiree Premiums and Other Out-of-Pocket Healthcare Expenses

Firefighters retiring at age 55 will likely need \$187,000 or more to cover medical premiums to age 84.



This is a retiree-only cost projection (not including a spouse) and assumes (1) retiree enrolls in a typical non-Medicare retiree plan until age 65 (\$648/month); (2) retiree becomes covered by Medicare Part B (\$170/month) and enrolls in Medicare Supplement Plan G (\$99/month) at age 65; and (3) costs increase by no more than 5% per year. This is merely an example. Individual circumstances vary.

Make your employee benefits program work better.

- Help firefighters and other employees save up tax-free money for current and post-employment medical expenses, including copays, deductibles, OTC items, retiree medical insurance premiums, and more.
- Give employees a way to build tax-free savings for unexpected medical costs.
- Reduce growing unused sick and vacation leave cash-out liabilities.
- Move employees to a lower-cost medical plan.
- Ease the impact of greater medical plan cost sharing.
- Replace expensive defined-benefit promises to retirees.
- Reduce your other post-employment benefits (OPEB) liabilities

Help further support the financial wellbeing of your workforce.

The HRA VEBA Plan is a funded health reimbursement arrangement (HRA) program. It's helping thousands of firefighters and first responders accumulate tax-free funds for out-of-pocket medical care expenses.

Put the power of the HRA VEBA Plan to work in your fire safety organization.

The HRA VEBA Plan covers 90,000 active and retired participants from 700 governmental employers in Oregon, Washington, and Idaho.

Want to learn more?

Connect with your local Gallagher representative today.

Christopher Carnahan

Client Consultant

(509) 818-3110 or

christopher_carnahan@ajg.com

HRAveba.org

Case Studies

Lump-sum payments upon retirement, such as unused leave cash outs, are common HRA funding sources. While these are certainly valuable, creative in-service contributions can add up and become even more valuable over time. Increasing retiree healthcare costs prompt many employers to help their employee groups implement various forms of in-service HRA contributions. This can help solve problems and meet common goals. Employees and employers enjoy significant tax savings, and the outcomes are win-win.

Common funding sources include:

- Unused annual leave, vacation, sick leave, and PTO cash outs
- Per-hour or per-pay-period employer contributions
- Mandatory employee contributions
- COLAs or pay raises
- Unused benefit dollars
- Wellness participation incentives
- Retirement incentives
- Notional HRA rollovers

Goal: Offer a General or Early Retirement Incentive; Help Retirees Bridge the Gap to Medicare

ISSUE:

Growing number of employees eligible or nearly eligible to retire.

HRA Funding: Minimum lump sum contribution, plus an additional amount based on number of months until Medicare eligibility.

Example: Employer contributes an amount equal to \$20,000, plus \$250 for each month until retiree reaches Medicare eligibility (age 65).

OUTCOME:

Job-locked employees eligible to retire and those nearing retirement are provided with tax-free funds for retiree medical costs.

Sample Language: Eligible employees will receive [\$20,000], plus [\$250] for each month prior to reaching age 65, which shall be contributed [as a one-time lump sum upon retirement].

Goal: Pre-Fund Retiree Medical Costs; Help Employees Retire on Time

ISSUE:

Employees cannot afford retiree medical premiums, particularly prior to Medicare, and are job-locked.

HRA Funding: Employer contribution (annually or per-pay-period); can also implement a group percent of pay contribution as part of compensation increase package.

Example: Employer contributes \$1,200 per year to each eligible employee's HRA.

OUTCOME

Employees can invest and save up their HRA funds for retirement or, in the event of an emergency, can use them while still working, depending on the HRA plan design.

Sample Language: Employer and union agree that the compensation package will be changed such that eligible members shall receive additional benefits in the form of HRA contributions equal to [\$1,200], which shall be prorated and contributed on a [per-pay-period] basis. Such contributions shall be made on behalf of all members defined as eligible and shall be considered and referred to as Employer contributions.

Goal: Offset Higher Cost-Sharing; Assist with Choice of Lower-Cost Plan

ISSUE:

No employee reward for switching to lower-cost medical plan with higher deductibles, copays, or other coverage reductions.

HRA Funding: All or a portion of the medical plan's annual deductible amount, or some other formula.

Example: Employer makes an annual contribution of \$1,000 for all employees who switch to lower-cost plan with \$2,000 deductible.

OUTCOME

Employees are now rewarded for taking more control over their healthcare spending and can choose to use or save up their annual HRA contributions for future medical costs, such as retiree premiums.

Sample Language: Employer contributions shall be equal to [\$1,000], which shall be contributed [annually] on behalf of all eligible Group members who enroll in the [higher-deductible medical plan].

Goal: Grow Wellness Plan Participation; Improve Employee and Family General Health

ISSUE:

Employees often do not take advantage of and participate in wellness plan activities.

HRA Funding: Contribution(s) for employees who participate in defined wellness plan activities.

Example: Employer contributes \$250 at year-end for all employees who participate in the wellness program by completing certain activities, such as annual blood screening, smoking cessation, exercise challenges, etc.

OUTCOME

Increased wellness plan participation; potential health risks are discovered early; possible win-win through future reduced health plan costs.

Sample Language: Eligible employees who participate in the wellness program shall receive [\$250], which shall be contributed [annually].

Goal: Reward Leave Time Accumulation; Provide a Tax-Free Conversion of Accrued Leave Time

ISSUE:

Need incentive for employees to avoid high utilization of sick leave and other forms of paid time off.

HRA Funding: Cash out of unused leave time (sick, vacation, compensatory, personal, PTO, etc.).

Example: Employer implements or converts existing cash outs of unused leave time to HRA contributions: All sick leave over 720 hours cashed out at 50% annually; all sick leave up to 720 hours cashed out at 50% upon retirement; all vacation over 160 hours cashed out at 100% annually; all vacation up to 160 hours cashed out at 100% at retirement.

OUTCOME

Employees get a tax-free incentive; more employees manage leave time to their advantage.

Sample Language: Eligibility is limited to employees with leave cash-out rights during the term hereof. Employer contributions shall include the cash-out value of all unused [sick and vacation] leave days accrued and available for cash-out [annually and upon retirement] per negotiated agreement or Employer policy.

Goal: Implement a Tax-Free Benefit as an Alternative to Losing Excess Benefit Dollars

ISSUE:

Employees with single or spousal coverage may have excess benefit dollars that aren't being used.

HRA Funding: All or a portion of unused employee benefit allocation dollars.

Example: Employer contributes excess benefit dollars to HRA.

OUTCOME

Employees take advantage of tax-free benefit opportunity and increase their total benefit coverage by using HRA funds to offset insurance deductible or save for retiree medical.

Sample Language: Employees with an unused benefit allocation shall receive [100%] of their unused benefit allocation, which shall be contributed on a [monthly] basis.

Plan education and local service provided by:



To learn more about the HRA VEBA Plan, or to schedule a group presentation, contact your Gallagher representative at 1-800-888-8322.



WKRFA Agenda Item.

Agenda Item	2026 Staff Agreements
Background	<p>The Administrative staff employment agreements are due for renewal.</p> <ul style="list-style-type: none"> • 2025 Salary and wages were approved in January 2025 • The agreements were reviewed for consistent wording and approved in February 2025 (no changes to the amounts being paid). • December 2025 the board discussed the need to review the amounts being paid. • Commissioner Virts will research and report back to the board in January 2026. • Current contracts are designed to continue unaffected until changes are approved by the board.
Discussion items	<p>Full Time -Fire Chief – Salary Full Time -Admionistrative Manager – wage Part Time -Administrative Assistant – wage</p>
Proposal	

WKRFA Agenda Item.

Agenda Item	<p>Mount Adams Resource Stewards – MARS Lease Agreement for station 31 Husum</p>
Background	<p>December 2025 meeting</p> <ul style="list-style-type: none"> • Proposal to lease part of Station 31 for an office and storage location for equipment and vehicles. This places a 10-person fire crew in the area during the spring and summer fire season. The crew will be working on fuels reduction projects in the area when not fighting fires. Current lease they have on Oakridge Road is \$1,800 per month and will expire soon. Chief recommended the board consider a lease agreement with MARS. Discussion on insurance and any impacts to our premiums. <p><i>Motion to authorize staff to prepare a lease agreement and bring it back to the January meeting.</i></p> <p>Below are links for</p> <ul style="list-style-type: none"> • Mt. Adams Resource Stewards • MARS Stewardship Crew Project Tracker
Discussion items	<ul style="list-style-type: none"> • Insurance impact – Discussed this with Enduris. • Ensure they have proof of insurance, general liability, property, workers comp, • Name RFA as additional insured on their policy.
Proposal	<p>Recommend we move forward with this amazing opportunity as it fits directly with our need to have resources available for initial response, shared training opportunities between WKRFA and MARS and collaborative opportunities to get the community moving towards resiliency related to wildfires. Both organizations are working to that end.</p>