



ISTA Welfare Benefits Plan and Trust (“WBPT”) Things You Should Know About Your WBPT Accounts

SUMMARY PLAN DESCRIPTION

A Summary Plan Description booklet that summarizes the provisions of the ISTA Welfare Benefits Plan and Trust (“WBPT”) as it applies in your school district will be available from your employer. It contains important information about the benefits available under the plan, when you can access those benefits, filing claims, and other items of interest. This booklet will be electronically sent to your employer for distribution to plan participants after the enrollment.

ACCOUNTS

You may have as many as three accounts associated with your participation, although for investment purposes the accounts are combined and your investment statements will show only one account.

At an administrative level, your funds may be categorized as being in 1) a non-vested account, 2) a Health Reimbursement Account (“HRA”), and/or 3) an Other Benefits Account (“OBA”). The non-vested account applies to you only if your plan is a post-retirement plan with vesting requirements. You can determine this from the Summary Plan Description. The Health Reimbursement Account is for the payment of qualified medical benefits only and cannot be used for any other purpose. The Other Benefits Account is used to fund life and disability insurance premiums, as further described in the Summary Plan Description.

Except to the extent that you direct otherwise, all funds are placed in the OBA. Funds then may be transferred into the HRA in one of two ways: (i) you request that some or all of your funds be transferred from the OBA (this option is not recommended, see below in bold print), or (ii) you file a claim for medical reimbursement. When you file such a claim, you are authorizing the transfer of funds necessary to pay the claim from the OBA to the HRA (unless you already have a sufficient amount in the HRA to pay the claim). Amounts may be transferred from the OBA to the HRA only once per month in accordance with procedures of the Administrator. Therefore, you need to make sure that there is sufficient balance in the HRA each month to cover insurance premiums that may come due.

The major difference between the OBA and the HRA is the treatment upon the death of a participant under IRS regulations. At the time of a participant’s death, any funds allocated to the HRA are available for use by a spouse or other IRS dependent to reimburse medical expenses. ***If there is neither a surviving spouse nor other surviving IRS dependent, any funds in this account are forfeited.*** If you wish to transfer a specific dollar amount to your HRA Account, please contact the Administrator for the proper form.

Funds in the OBA may be either transferred at the time of a participant’s death into the HRA for the benefit of a surviving spouse/other dependent or may be paid to a named beneficiary as a cash death benefit. (Please see “Death of a Participant” for more detailed information.) For this reason, we recommend that a participant in a post-retirement plan keep as little money as possible in the HRA. It is always possible to transfer funds from the OBA to the HRA once each calendar month, but it is not possible to transfer in the opposite direction.

PAYMENT OF CLAIMS

Please consult your Summary Plan Description (SPD) to determine what benefits your Employer has chosen to make available under the WBPT. The general categories of benefits payable from the WBPT are medical, life, and disability. Three types of qualified medical expenses are payable from the WBPT: (i) your cost of participation in an employer-sponsored medical plan; (ii) insurance premiums; and (iii) unreimbursed medical expenses. The life and disability benefits consist of a source of funds to pay insurance premiums under Employer-sponsored life insurance and disability insurance programs. Your SPD will inform you what benefits are available on a pre-retirement basis and what benefits are available on a post-retirement basis. As noted above, in the discussion of the various accounts, medical expenses can be paid only from the funds in your HRA, whereas the life and disability insurance premiums are paid exclusively from your OBA.



CLAIM FORMS

Claim forms are available through your employer, from ISTA Administrative Services Corporation, or on our website at: "www.istafsp.org". There is important information about the filing of claims on the back of the claims form. This form must be used to submit all claims.

QUESTIONS ABOUT YOUR ACCOUNT

Our goal is to provide you with thorough communications. If at any time you should have a question about the WBPT, here are the numbers you can use to obtain information:

If you have a question about the **investment of your account**, please direct your question to MetLife at 1-800-543-2520. Account information may also be obtained on the internet at <https://metlife.retirementpartner.com/login.do>

If you have a question about **benefits or the status of a claim**, please direct your question to ISTA Administrative Services Corporation at 1-800-344-1915.

If you have a more general question about the WBPT, such a question should be directed to the Plan Administrator, ISTA Financial Services Corporation, at 1-877-217-6851.

CHANGES: ADDRESS, BENEFICIARIES, STATUS

Any changes in your address, dependents, family status, or beneficiaries should be reported as they occur. Change forms to report these changes are available from your employer or from ISTA Administrative Services Corporation, at 1-800-344-1915.

DEATH OF A PARTICIPANT

One of the features of the ISTA WBPT is a death benefit that provides the ability, at the time of the participant's death, to pass the assets along to the spouse, other dependent(s), and/or a designated beneficiary within the limitations of the WBPT. As explained above, and unless you have elected otherwise, your money is held in two accounts within the WBPT: the Health Reimbursement Account ("HRA") and/or the Other Benefits Account ("OBA").

If, at the date of death of a participant, he or she was eligible to receive medical benefits under the WBPT, a surviving spouse or dependent is provided the opportunity to make a **one-time irrevocable transfer** of funds from the deceased participant's OBA to an HRA in order to cover future medical expenses under the WBPT. When the Administrator receives notice of the death of a participant, a letter and necessary form(s) are sent to the surviving spouse/dependent, if any. Please contact ISTA Administrative Services Corporation at 1-800-344-1915 for any questions regarding the transfer form.

Any money not transferred from the OBA is paid to the beneficiary(ies) named by the participant (generally, on your enrollment form) as a taxable, uninsured death benefit from the OBA. A beneficiary can be anyone the participant designates; however, only a spouse or dependent is eligible for continued use of the HRA.

Money that is transferred to the HRA can be used only for payment of qualified medical expenses for the deceased participant's dependents, including a spouse. No cash benefit can be paid from the HRA upon the death of a participant. Cash can be paid from the OBA, as an "uninsured death benefit," to a designated beneficiary. Please note that the only way to protect the tax-free nature of the medical benefits upon the death of a participant is for the spouse or other dependent to exercise the one-time irrevocable transfer to the HRA, and that once this is done, the transferred funds cannot be utilized as a death benefit.