

Fact sheet:



Voluntary Employees' Beneficiary Association (VEBAs)

Q: What is a VEBA and how does it work?

A: A voluntary employees' beneficiary association (VEBA) account is a health reimbursement account that allows an employer to contribute pretax money to a 501(c)(9) tax exempt trust on behalf of its employees. Once the money is in the trust, it can be used to pay for current eligible medical expenses and is often saved for medical expenses in retirement.

Further offers VEBAs to any employer or employee association that obtains a 501(c)(9) designation. Further can also provide these same services to governmental entities as Section 115 tax exempt governmental trusts.

Q: What types of VEBA accounts are available?

- A:**
- **General Purpose** - Eligible expenses include medical, dental, vision, orthodontia, and other eligible items (see Section 213(d) of the Internal Revenue Code).
 - **Post Deductible VEBA** - Limited to reimburse vision and dental expenses until the health plan deductible has been met.
 - **Limited VEBA** - Always limited to reimburse vision and dental expenses only.
 - **Post-Employment VEBA** - Payments can only be made from this account when the employee has retired or left employment.

Q: What expenses are eligible?

A: Any out-of-pocket and unreimbursed medical expenses allowed under section 213(d) of the Internal Revenue Code, including eligible medical premiums and long-term care expenses. A complete list can be found at hellofurther.com.

Q: How do employees save on taxes?

A: Employees save money with VEBA plans because they pay zero taxes on contributions from their employer, on account earnings and eligible withdrawals. The money goes into an employee's account tax-free, is invested tax-free, and is withdrawn tax-free.

Q: What investment options are available?

A: VEBA plans also provide investment opportunities for employees to help them plan for future medical expenses. Money allocated to the employee's VEBA account is known as the VEBA base balance. This base balance can be used to pay for eligible medical expenses. Once an employee's VEBA base balance exceeds \$1,000, they can open a VEBA basic investment account.

A wide variety of pre-selected mutual funds are offered by Further. Devenir Investment Advisors, LLC, a registered investment advisor, is Further's investment advisor for the optional investment program. Please see the list of funds at hellofurther.com

Learn more.

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spending administration
expert.**

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- Low fees and high interest rates
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