



# Fidelity Retiree Health Reimbursement Plan: Frequently Asked Questions

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## Plan Overview and Eligibility

### What is the Fidelity Retiree Health Reimbursement Plan?

The Fidelity Retiree Health Reimbursement Plan (“the Plan”) is designed to help eligible employees pay for eligible medical expenses incurred in retirement.

### When did the Retiree Health Reimbursement Plan become effective?

The Plan became effective on January 1, 2007.

### How does the Retiree Health Reimbursement Plan work?

The Plan allows Fidelity to make annual Retiree Health Reimbursement Plan credits<sup>1</sup> for each eligible employee. Fidelity intends to make the following credits:

- \$3,000 credit for regular employees, regularly scheduled to work 30 or more hours per week.
- \$1,500 credit for regular employees, regularly scheduled to work at least 20 hours but fewer than 30 hours per week.

The annual credit is determined each year, subject to the availability of sufficient company profits and cash flow. A credit is not an actual cash contribution to an individual account; no dollar amounts are held in your name. Rather, a credit provides a “bookkeeping” method for you and Fidelity to track amounts you may be able to use for eligible expenses in retirement.

In addition, employees must meet initial and ongoing eligibility requirements, described to the right. Eligible employees who die or retire during the year receive a pro-rated credit based on the number of months worked during the year in which the employee died or retired.

<sup>1</sup>Subject to the availability of sufficient Company profits and cash flow

### Who is eligible to receive credits?

Regular employees who are scheduled to work at least 20 hours per week become eligible to receive credits on the first business day of the first month after completing 12 consecutive months and 1,000 hours of service. This 12-month period is measured from your adjusted date of hire to the anniversary of that date. Once you satisfy these initial eligibility requirements, you will receive the annual credit amount for each subsequent year in which you are:

- Credited with 1,000 hours of service during the calendar year, and
- Actively employed by a Participating Unit on the last business day of the calendar year.

### What medical expenses are eligible for reimbursement?

Eligible medical expenses include the following expenses incurred after you become a participant in the plan:

- Deductibles
- Copayments
- Out-of-pocket medical expenses not covered, or partially covered, by medical, dental, or other group health plans
- Medical plan premiums, including COBRA premiums
- Medicare premiums, including Part A, Part B, Part D and Medicare HMOs for individuals over age 65
- Long-term care insurance premiums, subject to certain limits.

For a complete list of qualified eligible expenses, go to [www.irs.gov](http://www.irs.gov) and refer to IRS publications 502 or 969.



### When can I use my Plan credits?

When you become a participant in the Plan and are able to use your Plan credits when you meet all of the following criteria:

1. Retired or terminated employment with Fidelity and all Affiliated Companies,
2. Credited with at least 10 years of service with Fidelity, and
3. Are at least age 55.

- Credits Fidelity makes on your behalf are not taxable.
- Interest that accrues on the credits is tax-free.
- Reimbursements for eligible medical expenses incurred in retirement are not taxable.

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## Plan Credits

### What is the value of each credit?

Each credit is the equivalent of one dollar. Although there are no actual dollar amounts held in your name, you can track the credit balance that you may be eligible to use in the future. Go to [NetBenefits](#) > Fidelity RHRP.

### Can I contribute to the Retiree Health Reimbursement Plan?

No. Only Fidelity can make credits to the Plan.

### Do the credits earn interest?

Yes. While you are actively employee by a Participating Unit, the credits earn a fixed interest rate that is determined annually. Interest is credited on a daily basis and posted following the end of each month.

### Can I invest the credits?

No. Eligible employees may not direct the investment of the credits that accumulate in the Plan on their behalf. Instead, a fixed interest rate is credited each month that you meet the ongoing eligibility criteria.

### Am I taxed on the amounts credited on my behalf to the Retiree Health Reimbursement Plan, or on amounts reimbursed for eligible medical expenses?

No. The following are important tax advantages of the Plan:

### Both my spouse and I work for Fidelity; do we each receive Retiree Health Reimbursement Plan credits?

Yes, provided you and your spouse each satisfy the initial and ongoing eligibility requirements to receive Retiree Health Reimbursement Plan credits.

### Am I able to view the Retiree Health Reimbursement Plan credits?

Yes. You can track your Retiree Health Reimbursement Plan credits on NetBenefits.

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## Requesting Reimbursement

### When can I submit requests for reimbursement?

You may access credits after leaving Fidelity employment if you are age 55 or older and have been credited with at least 10 years of service. If you have 10 years of service when you leave Fidelity but are not age 55, you can access credits once you turn age 55.

### How do I make a reimbursement request?

Requests for reimbursement will be made through Acclaris. To receive a reimbursement from the Plan, you must complete a reimbursement form, which is available online at the Acclaris Reimbursement Center. After you leave Fidelity, you will be able to access Acclaris from the NetBenefits home page. You should submit the claim form along with the required supporting documentation. You will receive a reimbursement check, or the amount can be directly deposited into your bank account, provided that you have sufficient available credits. Expenses must be submitted within 24 months from the date they were incurred.



### Can I receive reimbursement while I am still employed with Fidelity?

No. Reimbursements under the Retiree Health Reimbursement Plan are not available while you are actively employed with Fidelity, even if you are age 55 or older.

### Is there a limit on the amount of credits which can be reimbursed in any given year?

No, provided the request is for eligible medical expenses and sufficient credits are available.

## Transferring Between Companies

### What happens if I transfer between Fidelity companies?

- **If you transfer from a Non-Participating Unit to a Participating Unit**

If you worked at least 1,000 hours with the Participating Unit within the calendar year in which you transferred and were employed on the last business day of the year, you are eligible to receive credits provided you have met initial eligibility requirements. Credits will be pro-rated based on the number of months in the year you worked at the Participating Unit (1/12 of the annual credits for each month credited). Your adjusted date of hire is used to determine your years of service.

- **If you transfer from a Participating Unit to a Non-Participating Unit**

If you worked at least 1,000 hours with the Participating Unit and are employed with the non-Participating Unit on the last business day of the year, you are eligible to receive credits provided you have met initial eligibility requirements. Credits will be pro-rated based on the number of months in the year you worked at the Participating Unit (1/12 of the annual credits for each month credited). Your adjusted date of hire is used to determine your years of service.

## Leaving Fidelity Employment

### What happens to my credits if I leave Fidelity with 10 years of service?

If you leave Fidelity at or after age 55 and have 10 years of service, you will be immediately eligible to participate in the Plan and to submit for reimbursement of eligible medical expenses. If you leave Fidelity prior to age 55 and after you have been credited with at least 10 years of service, you will be eligible to participate in the Plan once you reach age 55. You can then submit for reimbursement of eligible medical expenses.

### What happens to my credits if I leave Fidelity with less than 10 years of service?

If you leave Fidelity and have not completed 10 years of service, you will not be a participant in the Plan and will not be eligible to submit requests for reimbursement.

### What happens to my credits if I leave Fidelity with less than 10 years of service and return to work at Fidelity?

Your past credits will be reinstated if you are later re-employed by Fidelity.

### When does my participation in the Plan end?

Your participation in the Plan ends when you have been reimbursed for all of the credits accumulated on your behalf under the Plan.

## In the Event of Death

### In the event of my death, what happens to my credits?

- **If you die after leaving Fidelity with 10 or more years of service, but before age 55**

Your surviving spouse will have access to your credit balance immediately. If there is no surviving spouse, the credits will be forfeited.



- **If you die while you are eligible to receive reimbursements from the Plan**

Your surviving spouse will have access to your remaining credit balance. If there is no surviving spouse, the credits will be forfeited.

- **If you die while still employed with Fidelity**

Your surviving spouse is immediately eligible to begin receiving reimbursement for eligible medical expenses, regardless of your age or years of service, provided you have met the initial eligibility requirements and have a credit balance.

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## How the Retiree Health Reimbursement Plan Impacts Other Company Benefits

### What is the difference between the Fidelity Retiree Health Reimbursement Plan and the Fidelity Health Savings Account® (HSA)?

The Fidelity Retiree Health Reimbursement Plan and Fidelity Health Savings Account are two separate programs that offer a way to pay for eligible medical expenses in retirement. Credits in the Retiree Health Reimbursement Plan are used to determine the dollars that may be available to reimburse participants for eligible medical expenses incurred in retirement.

A Fidelity HSA is a tax-advantaged account that you may establish if you elect coverage under the Fidelity Health Plan. You own the Fidelity HSA, and assets in your account can be used to pay for qualified medical expenses before and during retirement.

### Do the Retiree Health Reimbursement Plan credits affect the amount I can contribute to the 401(k) feature under the Profit Sharing Plan?

No. Retiree Health Reimbursement Plan credits have no impact on the amount you can contribute to the Profit Sharing Plan or on the total tax-deferred

contributions that may be made on your behalf in a given calendar year.

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## COBRA

### What is COBRA?

The Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) requires employers to offer employees and their families the opportunity to temporarily continue their group health coverage under the Plan in certain instances where coverage under the Plan would otherwise end.

### Is the Plan subject to COBRA?

Yes. Employees who terminate from Fidelity, are at least age 55, and have 10 or more years of service are eligible to be reimbursed for eligible medical expenses incurred by the employee and his or her spouse. Under this plan, the only instance when an individual would lose coverage would be divorce or legal separation. Therefore, the ex-spouse is eligible to continue the Plan under COBRA. Written notice will be provided to the spouse within 14 days following receipt of notice of divorce or legal separation, provided HR Solutions is made aware of the divorce or legal separation within 60 days of the event. If notification is given after 60 days, the ex-spouse will not be eligible for COBRA coverage.

### What is the cost for a spouse to continue the Plan after a qualifying event occurs?

COBRA premium amounts are determined annually and can be obtained by calling HR Solutions at 800-835-5099, prompt 1.

### How is COBRA elected?

The ex-spouse must elect COBRA coverage by calling HR Solutions within 60 days of the date coverage is lost or the date that the COBRA election notice is received.

### How long can COBRA be continued?

The ex-spouse can continue COBRA for up to 36 months or until all Plan credits have been used.