



# SERMA & Federal Government Subsidies for Health Care

## SERMA and Federal Government Subsidy Eligibility

For non-Medicare retirees, access to your SERMA funds makes you ineligible for Federal Government subsidies through the health care marketplace (“The Exchanges”).

Most Intel retirees will exceed the income limitations for Federal Government subsidies through The Exchanges. Here are a few things that impact your eligibility for a federal subsidy:

- Your age
- Your income (income must be between 100% and 400% of federal poverty)
- Your family size
- Where you live
- Access to a Health Reimbursement Account (HRA) such as SERMA disqualifies you from eligibility regardless if you meet the other requirements
- If you are enrolled in Medicare, you’re ineligible for Federal subsidies

You can get more information at the [Healthcare Market Subsidy Program website](#).



## Your SERMA and Contributing to a Health Savings Account (HSA)

Access to your SERMA funds makes you ineligible to make contributions to a Health Savings Account (HSA). Access to a Health Reimbursement Account (HRA) such as SERMA disqualifies you from contributing or having someone else, like an employer, from contributing to an HSA on your behalf. If contributions are made to a Health Savings Account (HSA) and you have access to your SERMA funds, your HSA contributions will be disqualified and create a tax event to you.

## Opting out of SERMA

Intel has created a SERMA “Opt Out” program for those retirees who are eligible for and want to take advantage of Federal subsidies through The Exchange or who may wish to participate in a Health Savings Account (HSA). By opting out of your SERMA benefits, your balance is suspended and you, your spouse and your eligible dependents will be unable to receive reimbursement for any eligible health care premiums for that year. If you choose to waive your access to your SERMA funds, you cannot change that decision until the following year during Intel’s health care Annual Enrollment period.

You will be given the option each year during Annual Enrollment to decide if you want to “Opt Out” or “Opt In” to SERMA for the upcoming year. Look for more information regarding timing and actions required in your Intel Retiree Health Annual Enrollment Guide.

To “Opt Out” of your SERMA benefit, contact the Intel Health Benefits Center. **You must call to “Opt Out” as it cannot be completed online.**

## SERMA “Opt Out” Timing

**Current Non-Medicare Retirees:** If you retired prior to the beginning of the current year, and you want to “Opt Out” of SERMA for the upcoming year, you must notify MyChoice Accounts by calling the Intel Health Benefits Center no later than **December 15\* each year**. Your “Opt Out” election will carry over from year to year unless you “Opt In” again during the next Annual Enrollment.

**Newly Retired Non-Medicare Retirees:** For those retiring during the year, you will have **31 days from the date of your retirement** to notify MyChoice Accounts by calling the Intel Health Benefits Center letting them know you wish to “Opt Out” of SERMA so that you may qualify for the Federal subsidies. If you take no action, the default is to opt in to SERMA. Your “Opt Out” election will carry over from year to year unless you “Opt In” again during the next Annual Enrollment.

**All Non-Medicare Retirees:** You will be given the option each year during Intel’s Annual Enrollment season to decide if you want to “Opt Out” or “Opt In” to SERMA for the upcoming year. Your “Opt Out” election will carry over from year to year unless you “Opt In” again during the next Annual Enrollment. The deadline to call and “Opt Out” is December 15\* each year.

NOTE: If you initially decide to opt out of your SERMA benefits for the following year and you change your mind, you have until the end of the current year to notify MyChoice accounts to cancel the change and opt back in. You need to carefully consider your situation each year and notify MyChoice Accounts of any changes.

\*If December 15 falls on a weekend, the deadline will be extended until the end of the next business day.

## Consider the SERMA “Opt Out” option carefully

Eligibility for The Exchange subsidies is determined based on your total income claimed when you file your taxes with the IRS. Your total income is determined on from all your income sources. We strongly encourage you to speak with your financial advisor or tax professional to determine if you’re eligible for Federal subsidies through The Exchange and to carefully consider your decision to opt out of access to your SERMA funds. If you “Opt Out” of your SERMA for a given year, this will prevent reimbursements for **you, your spouse and your eligible dependents** from your SERMA account for the year. If your situation changes during the year, you cannot change your “Opt Out” election.

If later you discover you do not qualify for Federal subsidies, you cannot reverse your SERMA “Opt Out” decision. If you choose to “Opt Out” of SERMA, you will not be able to change that decision later and you will be unable to receive reimbursement for any of your eligible health care premiums. Once you’ve chosen to waive your access to your SERMA funds, the election cannot be changed until the following year. It is also important to note that SERMA reimbursements are based on when you are covered, not when you pay the premium. For example, if you “Opt Out” of SERMA for the upcoming year and pay all or part of your next year premiums now, they will not be eligible for reimbursement since the coverage period is for a time when you’ve opted out.

Should you decide to “Opt Out” in order to participate in an HSA and then later your HSA coverage ends, you cannot “Opt In” during the year.

If you have questions about the option to “Opt Out” of your SERMA, or you wish to “Opt Out,” please contact the Intel Health Benefits Center by calling 1-877-GoMyBen (1-877-466-9236). **You must call as your request cannot be completed online.**

The logo for mychoice Accounts. The word "mychoice" is in a blue, lowercase, sans-serif font. The letter "o" is replaced by a purple piggy bank icon. A registered trademark symbol (®) is located at the top right of the word "choice". Below "mychoice" is the word "Accounts" in a smaller, purple, sans-serif font.

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