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.

mychoice Accounts

Temporarily opting out of SERMA

If you are otherwise eligible for the ACA subsidies through the Marketplace or Exchange, you must temporarily "Opt Out" of SERMA in order to qualify.

When you "Opt Out," your SERMA balance is frozen and you will not be able to use SERMA to pay for Intel or non-Intel sponsored healthcare premiums for you or your dependents for the year. Your "Opt Out" election will carry over from year to year unless you "Opt In" again.

You may choose to temporarily "Opt Out" of SERMA through the following:

- Upon Initial Retirement, within 31 days of your initial retirement, for the remainder of the current calendar year.
- During Annual Enrollment for the following calendar year.
- Prospectively during the year for the following month.

There are online tools that help you identify if your income levels qualify for federal premium tax credits. If you want to learn more now, these sites are helpful: https://www.healthcare.gov and http://kff.org/health-reform.

If you have questions or to "Opt Out," please contact the Intel Health Benefits Center by calling 877-GoMyBen (466-9236).

Please review the IRMP and SERMA Plan Document and Summary Plan Description for a complete description of SERMA eligibility, requirements, and benefits.

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.

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**.