



IAFF MERP

MEDICAL EXPENSE REIMBURSEMENT PLAN

What is MERP?

MERP is an employee benefit plan that allows current members to save money tax-free to reimburse medical expenses incurred during retirement.

Your Local can bargain to participate in MERP as part of its solution to the problem of rising healthcare costs and to relieve budget strains on cities and counties.

MERP provides you (and your surviving spouse) with monthly benefit payments to reimburse you for medical costs after you retire.

Funding MERP

Your retiree medical benefits from MERP are funded with regular payroll transfers and/or lump sum transfers of sick and vacation leave made on your behalf during active employment pursuant to your CBA. The unions and employers must negotiate a flat dollar contribution rate of \$75 or more per month. Your Local may also negotiate for transfer of all or part of your sick and/or vacation leave into MERP annually, and/or at retirement. IRS rules require that leave transfer be in the same percentage for all members of your Local.

Can you choose to contribute more? No. An individual employee cannot elect to contribute more than the amount set forth in your collective bargaining agreement.

What if I can't use my full monthly benefit every month after retirement? If your monthly benefit is not used, it will carry over for use in a future month.

Contribution Rates & Benefit Levels with 25 Years in MERP

Monthly Contribution Amount During Active Employment	Monthly Benefit During Retirement After 25 Years of Contributions*
\$75	\$369
\$100	\$492
\$150	\$738

* These amounts are effective July 1, 2015 and are subject to change. Note also that you will have the option at retirement to select a higher benefit level than shown here, to receive immediately after retirement until age 65, which will be reduced after age 65. If you don't make that choice, this chart shows your benefit level throughout your retirement. Individuals with a disability retirement have the option of receiving a reduced benefit level before age 53.

"My experience has been great...my benefit is electronically put into my account each month and I would highly recommend the program to all firefighters."
- P. Adams, Nampa Fire Local 804 (Retired 2/2013)

"Fantastic program...the WSCFF has taken the time to provide a much-needed, tax-free retirement supplement option." - G. Hiller, West Pierce Fire (Retired 5/2013)

"Every little bit helps at retirement. Members need to participate at as high of a level as comfortable during their working years. We need to negotiate thinking more about the future (retirement) than today."
- R. Johnson, Kent Fire Local 1747 (Retired 2/2012)

"Your career will go so much faster than you expect, and the more you can put away to take care of yourself in retirement in the early part of career, the easier it will be to transition into retirement and maintain your lifestyle. Having the MERP benefit available are retirement is one less thing you have to worry about." - N. Nedell, Seattle Fire Local 27 (Retired 6/2014)

Eligibility & Benefits

Eligibility for the monthly benefits for the retiree and surviving spouse generally requires*:

- Earning five (5) years of Active Service in MERP
- Attaining age 53
- Ceasing all employment with MERP Participating Employers

*Retirees who do not meet these eligibility requirements will still be eligible for medical expense reimbursement up to the amount of contributions that have been made on their behalf at the time they retire.

Benefit Levels

Your benefit level depends on the amount of contributions made on your behalf. Each Local determines its contribution rate. Higher contribution rates mean higher benefit levels after retirement. Benefit levels also go up the longer you participate.

How Can Our Local Enroll?

To comply with IRS guidelines, your Local must enroll as a group, and must not allow individual election. Your Local must enter into a Collective Bargaining Agreement (CBA) or Memorandum of Understanding (MOU), in which your employer agrees to:

- ⇒ Transfer regular contributions* to the pooled MERP account; and/or
- ⇒ Transfer accrued sick and/or vacation leave** into MERP

*Regular contributions must be in the same dollar amount for all members in the Local and may be employee and/or employer contributions.

**Lump sum transfers of leave must be in the same percentage for all members. Member may choose to have leave converted into Active Service Units (ASU's) resulting in a higher monthly benefit, or transferred into their accumulated benefit bank for immediate use.

Tax Advantages

- Contributions to MERP are not taxable as wages.
- Benefit payments you receive from MERP are not taxable.
- MERP assets earn investment income tax-free, helping to increase the financial health and sustainability of MERP.

.....

If your Local does not currently participate in MERP and you would like additional information, please contact Becky Wallen at DiMartino Associates:

Trust Consultants

DiMartino Associates

1325 4th Avenue Suite 1705

Seattle, WA 98101

(206) 623-2430

Becky@dimarinc.com

Kimberly@dimarinc.com

If you are a current MERP participant and have questions, please contact the MERP administrator at Vimly Benefit Solutions:

MERP Administrator

Vimly Benefit Solutions, Inc.

12121 Harbour Reach Drive, Suite 105

Mukilteo, WA 98275

(425) 367-0743

WSCFFMERP@vimly.com

“The MERP program has served me well. It has helped me bridge the gap from retirement to Medicare for healthcare premiums. It will be a great benefit in the future for those that pay into the program for their entire career.” - F. Schwartz, Vancouver Fire (Retired 1/2011)

Note: This brochure is designed to provide you with key information regarding MERP. Exact specifications are provided in the “IAFF Medical Expense Reimbursement Plan of the Washington State Council of Fire Fighters Employee Benefits Trust” restated effective April 1, 2022, and as amended thereafter, which will prevail in case of conflict with the information provided in this brochure