



Staff Education Association Retirees VEBA

Newsletter

February 2012 – vol. 2

SEARV 2011-2012

This was another busy year for SEARV. It was marked by several firsts for the Board of Trustees. We had our first audit, and our first year of true investment management, became certified by the IRS as a tax exempt Trust, and had our first group addition to the Trust.

Since this was our first audit it was time consuming and a period of fine tuning our business practices to the satisfaction of the auditors. All went well and we received a clean audit. We have retained Norman, Jones Enlow and Co as our auditors for our fiscal year 2011.

We paid a lot of attention to investments and investment strategy this year. A comprehensive investment policy document was created providing our investment advisor with the tools needed to act on our behalf. By definition we are not only required by law but by good business sense to have a conservative portfolio that will protect your health care dollar at the same time as providing needed additional operating funds. Considering the economy this year our investments performed well and the board is satisfied with the performance of the Dover Consulting Group as our investment advisors.

A major hurdle was getting everything in place to satisfy the requirements of the IRS for tax exempt trusts. Counsel and the Board spent considerable time meeting those requirements and were successful in getting that tax exempt status. This was accomplished with help from our very capable counsel David Cook and Jennie Arnold. Congratulations are in order for Jennie and her husband on the birth of their first child.

A major event in 2011 was the settlement by the managers with OEA. That settlement resulted in their inclusion into the VEBA on the same terms as PSU. For SEARV it was a very short implementation period that included work by the Board but more importantly considerable effort by CW Breitsman Associates our Third Party Administrator. The timing

couldn't have been more difficult as the effective date was January 1, 2012 which coincides with the major year-end event of open enrollment for Medicare. There were some glitches with getting documents to people and with those who had one plan with United Health Care and were transferring to the SEARV plan. Thanks to everyone's patience we were able to work through those issues. Special thanks go to Charlie Breitsman and his team for all of their efforts on our behalf. For those of you who are interested, the managers group includes 42 retired managers and/or their spouses and 9 future retirees and their spouses.

The year has also been marked by some challenges with interpretation of the settlement agreement and the benefits that are to be provided to under age 65 retirees. Counsel is working through the Federal Judge who heard and helped settle the class action case to enforce our settlement agreement. Hopefully these issues will be few.

One other task of the Board was to review the performance of all our contractors and to provide our input on how we as a team can improve how we do business. Especially considering this is only our second year in business; our partners have been invaluable in making sure SEARV is successful in its charter to provide post 65 health care benefits.

Vendors –

General Counsel – Cook, Portune and Logothetis , LLC

Counsel is responsible for making sure the Trust is run in compliance with state and federal laws that control tax exempt VEBA Trusts. They also advise the Board in all legal matters associated with Trust administration. Please do not contact counsel directly, but you may ask questions or communicate through the TPA CW Breitsman Associates.

Third Party Administrator (TPA) – C.W. Breitsman Associates, LLC

Charlie Breitsman charlie@cwba.com

Three Gateway Center, Suite 1625, Pittsburgh, PA 15222

Phone – (412) 325-2805, Toll Free – (866) 520-9174

The TPA is responsible for handling the day to day administration of the Trust including interfacing with all of the other vendors, records retention, and interface with Trust members and with the Ohio Education Association concerning Trust matters.

Custodial Bank – Huntington National Bank

The bank is the initial holder of funds and investments monies. Questions concerning banking need to be directed through the TPA.

Medicare Supplement Provider – Monumental Life (Transamerica)

The supplement carrier is contracted on an annual basis. You may communicate directly with the provider concerning your account or you may contact the TPA for assistance and contact information. **Customer Service: 1-800-752-9797**

Prescription Drug Supplement Provider (PDP) – United Health Care

The prescription Drug supplement provider is contracted on an annual basis. You may communicate directly with the provider concerning your account or you may contact the TPA for assistance and contact information. **Customer Service: 1-888-556-6648**

Investment Advisors – Dover Consulting Group

The investment advisors assist the Board in creating and maintaining formal investment guidelines and work with investment brokers to make sure the trust investments are in compliance with those guidelines. They also provide investment reporting to the Board on a regular basis.

Auditors – Norman, Jones, Enlow and Co.

As required by law and as prudent management of the Trust independent auditors are engaged to review the finances of the Trust and provide annual reports in compliance with federal and state laws.

Other Actions of the Board –

In addition to those items mentioned above the board took the following actions:

- Approved policies for Conflict of Interest, Records Retention, and Whistleblower Issues.
- Renewed the terms of Joan Montgomery and Garrett Harbron for a new three year term
- Reviewed all issues associated with the inclusion of managers into the Trust and the damages reimbursement process.
- Finalized disbursed monies for PSU/OASU damages reimbursement
- Worked with OEA for the 2011 and 2012 list of qualified participants (true-up) that drives OEA's contributions to the plan.
- Worked on the plan documents and Summary Plan Description.
- Monitored the performance of the supplement providers and other vendors.
- Determined annual budgets
- Approved investment strategy

What Happens When I Reach 65?

This was in the previous newsletter but it deserves repeating as it continues to be an area of confusion. Class members who will be reaching age 65 during the year will receive an enrollment opportunity letter from the SEARV Administrative Office, sixty (60) days prior to reaching their 65th birthday. This letter will provide members with important information on how to enroll in the SEARV benefit program.

If you elect to enroll, the SEARV Administrative Office will handle all enrollment matters for you. Of course, members who have other coverage may also elect to not enroll. Members who opt-out also may enroll in the future during the open enrollment period held in the fall of the year and also if life event circumstances impact their current coverage.

How are we doing? –

Feedback from both vendors and members of the Trust has been very positive. As stated above we have had some minor issue but have worked through them and continue to strive to provide exceptional service. The Trust continues to be financially healthy and the Board is working to make sure it stays that way.

Your Board of Trustees would like to thank all of you for your support and having the confidence in us to allow us to serve as your Trustees on the Board of the Staff Education Association Retirees VEBA Trust. Your feedback is always welcomed and we will work to keep you informed. Please don't hesitate to contact any of the Trustees or the TPA with your questions.

VEBA Administrator (TPA) CW Breitsman Associates, LLC

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Paying Your Monthly Self-Pay Contributions by Electronic Funds Transfer (EFT)

Again this is a repeat of last year's newsletter but bears repeating. If you currently do not have an EFT payment arrangement in place, we encourage you to enroll in this process now. The EFT payment process, in addition to being a convenient way to pay your retiree medical/Rx self-pay contributions, ensures that your retiree medical/Rx coverage payments are processed in a timely fashion and your coverage remains intact and uninterrupted. EFT payment processing is currently used by many retirees in benefit plans like yours.

An EFT Authorization Form sample can be found on the last page.

For more information, please contact the SEARV Administrative Office below:

SEARV

**Three Gateway Center, Suite 1625
Pittsburgh, PA 15222**

Phone – (412) 325-2805 Toll Free 1 – (866) 520-9174 fax (412) 325-2801



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ELECTRONIC FUNDS TRANSFER (EFT) AUTHORIZATION FORM

Advantages of ETF Benefit Payments:

- ☐ Avoids mail delays.
- ☐ Eliminates danger of your check being stolen or lost.
- ☐ Allows you to have your benefit coverages remain in effect without interruption due to missed check payments.
- ☐ Eliminate a special trip to the bank.

If you wish to take advantage of this feature, please complete the following information and return this form to the SEARV Administrative Office listed above, along with a **VOIDED CHECK** from your account.

BANK NAME:

BANK ADDRESS:

BANK TRANSIT ROUTING NUMBER:

TYPE OF ACCOUNT:

☐ Checking

☐ Savings

ACCOUNT NUMBER: _____

I hereby authorize the ongoing EFT withdrawal from my account from the financial institution indicated above. Such EFT withdrawal will be made periodically, unless I choose to terminate this agreement in writing.

Print Name

Participant Signature

Social Security Number

____/____/____
Date