

SISC GASB 45 TRUST

Disbursement Scenarios

1. Participating Employer is requesting disbursement from the Trust to pay the same amount shown as due for retirees on the monthly billing/invoice from the insurer.
No evidence required by Plan Administrator. However, the Participating Employer must keep all backup and supporting evidence for annual audit and/or inspection by Trust Administrator or Trustee. Payments will be made directly to the health insurer.
2. Participating Employer is requesting disbursement from the Trust to pay the amount shown on the insurer's invoice as due for retirees, PLUS an amount to be paid to the insurer as subsidy on behalf of the retirees.
This request requires an annual actuarial certification of expected retiree claims allowed. The amount to be disbursed should be based on expected retiree claims, not actual retiree claims. The expected retiree claims are calculated by the actuary as part of your most recent GASB 45 valuation. If you are requesting a disbursement greater than the amount shown on the insurer's invoice (premium) due for retirees, you should ask your actuary to prepare a brief letter stating the amount of expected claims for the period to which the disbursement applies. It can be stated as a monthly amount, annual amount, or for a certain period (e.g. \$1 million from July 1, 2006 through June 30, 2007).
NOTE: If your actuary has not recognized an implicit subsidy in the GASB 45 valuation, then the amount of disbursement must be equal to the premiums billed by the insurer.
3. Individual retiree incurs an eligible expense/cost (i.e. Medicare premium, medical expense while on vacation in another state, etc.), and requests reimbursement from the trust (through the Participating Employer).
This request will require evidence of expense (invoice/statement) and payment to provider before reimbursement can be issued.
4. An individual retiree incurs an eligible expense and requests reimbursement from the Participating Employer. The employer pays the retiree and requests reimbursement from the Trust.
The plan is allowed to reimburse the Participating Employer provided that the retiree documents an assignment of the claim for reimbursement to the employer.
5. The Participating Employer makes payments for retiree costs directly to their insurance provider, and then requests reimbursement from the Trust.
The Trust is allowed to reimburse the Participating Employer for retiree expenses/premiums provided adequate documentation is received to support the reimbursement (e.g. insurance provider's statement or invoice).