

# Aetna Health Insurance Premium Rebate

The Cooperative received a rebate from Aetna because the company did not expend at least a certain percentage of the premiums we paid on expenses paid out during the last calendar year (2017).

Here are answers to several questions about the rebate.

**1. Should the Board who paid a fixed share of the premium cost receive some of the rebate amount?**

The answer is NO. The Cooperative is not eligible to receive any of the rebate because the Cooperative is not a beneficiary of any of the policies even though the Cooperative paid some of the premium for some of the staff to which this rebate will apply.

**2. Which staff will receive the rebate?**

This is determined by Federal rules.

Staff who were enrolled in the Cooperative's health insurance plan anytime during any month of the calendar year of 2017 (January through December) and were still enrolled in the Cooperative's health insurance plan during October of 2018 (the month when the rebate was received).

**3. How is the amount of rebate to be split up?**

The rebate amount will be split up based upon the amount of money each participant, who meets the requirements in 2. above, paid for health insurance during the calendar year of 2017 compared to the total premium amount paid by all participants (not including any amount of the premium that was paid by the Cooperative).

We added up the amount each participant paid (not Board paid) for health insurance between January 1, 2017 through and including December 31, 2017.

That amount was divided by all the premiums paid by all the staff that paid premiums during the same time period who were still enrolled on October 1, 2018. Example:

If all participants paid \$400,000.00 combined and an individual participant paid \$375.00 during that time period, that person's percentage of the rebate would equal the following:

Rebate amount multiplied by ( $\$375.00$  divided by  $\$400,000.00$ ) or Rebate X .0009375

**4. What about taxes?**

For those participants who had their salaries reduced by the section 125 salary reduction plan to pay for the premiums before taxes, the amount of the rebate will be taxed as ordinary income because that part of your salary has not yet been taxed. (Taxes will be applied)

For those participants who paid their premiums out of pocket (with after tax dollars), your premium rebate amount has already been taxed, so you will receive the full amount of the rebate. (No taxes will be applied)

If you receive your pay from the Cooperative by Direct Deposit, if eligible for some of the rebate, you will receive a deposit of your share of the rebate on November 2, 2018. Those who receive your pay by check, your check will be mailed from this office on November 2, 2018.