



PUBLIC EDUCATION EMPLOYEES' HEALTH INSURANCE PLAN

June 17, 2019

PEEHIP Statement on Refunds

PEEHIP is requesting permission from the Montgomery County Circuit Court to pay all refunds to active and retired members by July 31, 2019. Processing the refunds will take some time, so PEEHIP must receive permission from the court by early July or payment by July 31 will not be possible.

Under PEEHIP's proposal, retirees would receive refunds directly from the RSA, and active members would receive refunds through their employers because their PEEHIP premiums were paid on a pre-tax basis. This means that the refunds for actives are subject to applicable income and FICA taxes, which must be withheld and reported by the employer on the member's W-2.

PEEHIP will keep members up-to-date as the process moves forward and will update this notice when we receive information from the court. If PEEHIP obtains permission to make the payments using the process it has proposed, PEEHIP will send each member a letter informing him and/or her of the gross refund amount to which they are entitled.