



KANSAS CITY  
MISSOURI

# Post Employment Health Plan (PEHP<sup>®</sup>) Fact Sheet and Investment Options

# PEHP® Fact Sheet and Investment Options

|                      | General employees<br>(Non-union employees)   | Collectively bargained employees<br>(IAFF Local 42 and IAFF Local 3808)   |
|----------------------|--|---|
| Type of plan         | <ul style="list-style-type: none"> <li>Employee benefit plan</li> <li>Health reimbursement arrangement (HRA)</li> <li>Internal Revenue Code Section 501(c)(9)</li> </ul>   |   |
| Assets held          | <ul style="list-style-type: none"> <li>PEHP is a tax-exempt Voluntary Employees' Beneficiary Association (VEBA) Trust, which provides employee benefits authorized by Internal Revenue Code Section 501(c)(9).</li> </ul>  |   |
| Tax advantages       | <ul style="list-style-type: none"> <li>All contributions and accumulated earnings are NOT subject to federal, state, FICA or Kansas City earnings tax</li> <li>Upon retirement, reimbursements from PEHP accounts are NOT subject to federal, state, FICA or Kansas City earnings tax</li> </ul>   |   |
| Plan contributions   | A set percentage of a retiring eligible employee's unused sick and/or vacation time will fund the account tax free.  |   |
| Plan benefits        | <p>Reimbursement of qualified post-employment health insurance premiums as defined by Internal Revenue Code Section 213(d) may be requested.</p> <p>Examples include:</p> <ul style="list-style-type: none"> <li>Health insurance premiums</li> <li>Medicare Part B premiums</li> <li>Medicare supplemental insurance premiums</li> <li>Qualified long-term care premiums</li> <li>Vision premiums</li> <li>Dental premiums</li> </ul> | <p>In addition to the qualified post-employment health insurance premiums indicated to the left, reimbursement may also be requested for qualified health expenses of the employee, the employee's spouse and qualified dependents (as defined by IRC Section 152(a)).</p> <p>Examples include:</p> <ul style="list-style-type: none"> <li>Office visit co-pays</li> <li>Prescription drugs</li> <li>Eyeglasses</li> <li>Other out-of-pocket medical costs</li> </ul> |
| Benefit flexibility  | Upon retiring, requests can be made for the reimbursement of qualified post-employment health insurance premiums. Note: To receive reimbursement, you must complete a claim form and attach evidence of the qualified post-employment health insurance premiums.   | Upon retiring, requests can be made for the reimbursement of qualified post-employment health insurance premiums and qualified health expenses. Note: To receive reimbursement, you must complete a claim form and attach evidence of the qualified health expenses and/or insurance premiums.  |
| Funding options      | Insurance Premium Reimbursement Account (IRC Section 106): Can be funded solely with accrued sick and/or vacation leave  | Universal Account (IRC Section 105): Can be funded solely with accrued sick and/or vacation leave   |
| Investment options   | There are 25 investment options available for employees.   |   |
| Plan fees            | <ul style="list-style-type: none"> <li>Employee: An annual administrative fee of \$25; and a 0.05% (annualized) asset fee, assessed monthly</li> </ul>   |   |
| Death of participant | Money is immediately made available to the surviving spouse and/or qualified dependents (as defined by IRC Section 152(a)) to use for qualified post-employment health insurance premiums. If no surviving spouse or qualified dependents remain to request reimbursement, the account balance is reallocated to the accounts of the remaining members of that specific group for their qualified health insurance premiums.           | Money is immediately made available to the surviving spouse and/or qualified dependents (as defined by IRC Section 152(a)) to use for qualified health insurance premiums and qualified health expenses. If no surviving spouse or qualified dependents remain to request reimbursement, the account balance is reallocated to the accounts of the remaining members of that specific group for their qualified health insurance premiums or health expenses.         |

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**1-866-350-5266**

# PEHP® Investment Options

PEHP Variable Annuity, a group variable annuity contract issued by Nationwide Life Insurance Company

| Asset allocation  |   | Category               |
|---|---|------------------------|
| The T. Rowe Price target date retirement funds are structured on a glide path based on future retirement dates. The funds provide asset allocation diversification across several types of investments and asset classes primarily by investing in underlying funds, which are periodically rebalanced. The Balanced Fund has the highest exposure to fixed-income securities and the least exposure to equities, while the 2060 fund has the highest exposure to equities and the least exposure to fixed-income securities. The principal value of the funds is not guaranteed at any time. | T. Rowe Price Retirement Balanced Fund (I Class)              | Balanced               |
|   | T. Rowe Price Retirement 2010 Fund (I Class)                  | Target date retirement |
|   | T. Rowe Price Retirement 2020 Fund (I Class)                  | Target date retirement |
|   | T. Rowe Price Retirement 2030 Fund (I Class)                  | Target date retirement |
|   | T. Rowe Price Retirement 2040 Fund (I Class)                  | Target date retirement |
|   | T. Rowe Price Retirement 2050 Fund (I Class)                  | Target date retirement |
|   | T. Rowe Price Retirement 2060 Fund (I Class)                  | Target date retirement |
| Large-cap stock funds   |   |                        |
| Large-cap is an abbreviation of the term "large market capitalization," and that is a company whose market capitalization is very large. A large-cap stock fund is made up primarily of investments in companies that are considered large-cap: big corporations.   | Fidelity 500 Index Fund                                       | Large-cap core         |
|   | MFS Value Fund (Class R6)                                     | Large-cap value        |
|   | The Growth Fund of America (Class R6)                         | Large-cap growth       |
|   | T. Rowe Price Growth Stock Fund (I Class)                     | Large-cap growth       |
| Mid-cap stock funds   |   |                        |
| Mid-cap is an abbreviation of the term "middle market capitalization," and that is a company whose market capitalization is midrange. A mid-cap stock fund is made up primarily of investments in companies that are considered midrange or midsize companies.  | Carillon Eagle Mid Cap Growth Fund (Class R6)                 | Mid-cap growth         |
|   | Fidelity Mid Cap Index Fund                                   | Mid-cap core           |
|   | Vanguard Selected Value Fund (Investor Shares)                | Mid-cap value          |
| Small-cap stock funds   |   |                        |
| Small-cap is an abbreviation of the term "small market capitalization," and that is a company whose market capitalization is less than \$2 billion. A small-cap stock fund is made primarily of investments in companies that are considered small or newer companies. Small company funds involve increased risk and volatility.   | Baron Small Cap Fund (Institutional Class)                    | Small-cap growth       |
|   | Boston Partners Small Cap Value Fund II (Institutional Class) | Small-cap value        |
|   | Fidelity Small Cap Index Fund                                 | Small-cap core         |
| International stock funds   |   |                        |
| These mutual funds invest primarily in companies located anywhere outside of the United States. International investing involves additional risks, including currency fluctuations, political instability, foreign regulations and differences in accounting standards.   | Capital World Growth and Income Fund (Class R6)               | Global                 |
|   | EuroPacific Growth Fund (Class R6)                            | International growth   |
|   | Fidelity Total International Index Fund                       | Foreign large blend    |
|   | Harding Loevner Emerging Markets Portfolio (Class I Shares)   | Emerging markets       |
| Bond funds  |   |                        |
| These funds are invested primarily in bonds, which could be a range of government, corporate, municipal or convertible bonds.   | American Century Government Bond Fund (Class R5)              | Government bond        |
|   | PIMCO Total Return Fund (Institutional Class)                 | Core bond              |
| Fixed income/cash   |   |                        |
| Fixed-income security options are designed to protect principal and might not keep pace with inflation. They are intended to have lower risks than alternate options, but they are not insured or guaranteed by the FDIC or any other government agency.  | Nationwide Fixed Fund   | Fixed account          |
| Specialty   |   |                        |
| A real estate investment trust (REIT) is an actively managed real estate fund that looks to provide exposure to U.S. REITs and real estate companies.   | American Century Real Estate Fund (Class R6)                  | REIT                   |



This material is not a recommendation to buy or sell a financial product or to adopt an investment strategy. Investors should discuss their specific situation with their financial professional.

**The underlying fund prospectuses can be obtained by calling 1-866-350-5266. Before investing, carefully consider the fund's investment objectives, risks, charges and expenses. The underlying fund prospectuses contain this and other important information. Read the prospectuses carefully before investing.**

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