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## **Questions & Answers about the VEBA Investment Offerings and 2008 Pricing Options**

**For Members of the Participating Minnesota Service Cooperatives**

**Draft date: Aug. 23, 2007**

Before you begin using your new VEBA investment options, we suggest you take a few minutes to review some of the more common questions received from account holders.

### **WHAT'S AVAILABLE AND HOW IT WORKS**

#### **1. What investment options are available?**

The VEBA investment program gives you the ability to invest your unused VEBA dollars. Once the Base Balance in your VEBA account exceeds \$1,000, you may direct any unused dollars above \$1,000 into a VEBA Basic Investment Account. This gives you access to 15 best-in-class mutual funds that are selected by Devenir Investment Advisors, LLC, a registered investment advisor.

#### **2. Do I have to invest my VEBA dollars? I'm not sure if investing is right for me.**

Your VEBA investment options are just that — options. It's up to you whether you invest, when you invest, and how much you invest. There is an inherent risk with investing. If you're not comfortable assuming this risk, you'll be happy to know that you can leave your money in your VEBA Base Balance where it will earn interest.

#### **3. Is there a minimum investment amount required to open a Basic Investment Account?**

No, you can invest as much or as little as you'd like; however, you must maintain a minimum of \$1,000 in your VEBA Base Balance in order to direct money to your VEBA Basic Investment Account. If your Base Balance drops below \$1,000, you'll need to replenish that balance before you can direct additional dollars towards your Basic Investment Account.

#### **4. How often can I make changes to my VEBA Basic Investment Account?**

You can make changes to your VEBA investment account as often as you'd like, but keep in mind that some funds do charge short-term redemption fees to prevent market-timing practices. Please read the fund's prospectus prior to making any changes to your account holdings.

#### **5. If I quit my job, what happens to my VEBA Basic Investment Account and my VEBA Base Balance?**

The money in your VEBA Base Balance and your VEBA Basic Investment Account is yours to keep, even if you change jobs or retire. You can continue to use this money to pay for eligible health care expenses, and you can also continue to invest your VEBA dollars, as long as your base balance exceeds \$1,000. However, your employer can no longer contribute to your VEBA account after your employment has ended.

**6. How often is my VEBA Investment Account balance and activity updated?**

Your VEBA Investment Account is updated each evening that the New York Stock Exchange is open for business.

**7. I currently own shares of a fund that's listed in the VEBA Investment Account program. Will the shares I purchase in the VEBA Investment Account apply to any breakpoints or rights of accumulation (ROA)?**

Since the shares purchased in the VEBA Investment Account are traded without a load they typically would not qualify for breakpoints or ROA; however we recommend you contact the fund company directly for additional guidance.

**8. What fees apply to the Basic Investment Account?**

There are fees that apply to the investment accounts, but depending on the plan design chosen by your employer, your employer may pay these fees or pass them on to you. These fees are in addition to administrative fees for the VEBA account.

Check with our employer or refer to your plan details to determine if you'll be responsible for the following fees:

\$1.83 Monthly VEBA account participant fee (Premium Saver Option)

\$1.50 VEBA Basic Investment Account fee (monthly)

- Your employer may choose to pay the monthly participant fee and/or the investment account fee on your behalf.
- In addition to these fees, short-term redemption fees may apply for fund units that are sold within the timeframe listed in the fund's prospectus. Investment alternatives made available to VEBA participants are no-load or load waived mutual funds. Depending on the fund, 12b-1 fees not exceeding .25% may be payable to defray marketing and distribution expenses. The amount of any 12b-1 fees will be included in the prospectus. Please refer to a particular fund's prospectus to determine if redemption fees apply.

**9. What funds are available to me?**

For a current list of available investment opportunities, visit **[selectaccount.com](http://selectaccount.com)**, select the "VEBA" link and sign into your VEBA account. Then, choose the "Investment Options" link. You'll find a list of funds on the investment options home page. Right above the list of funds is a paragraph that ends with the word "here." By clicking on "here" you are directed to a worksheet that includes fund expense ratios, historical performance data and links to the funds prospectus and Morningstar® report. Since your investment account is self-directed, be sure to research your decisions as you alone are responsible for your investment decisions.

**10. What other tools are available to me for the VEBA Investment Account?**

The investment Web site allows you to set up recurring contributions to your Basic Investment Account, to move dollars back to your VEBA Base Balance and to change

your investment allocations at any time. You can also find Morningstar reports for all of the funds, which tells you more about a particular fund's performance and history.

**11. I moved dollars from my VEBA Base Balance and my account shows that it has been transferred, but I don't see the dollars in the VEBA Basic Investment Account?**

It can take anywhere from a few days to a week for transfers to appear in your investment account, because there is a two-day settlement period after the funds are purchased.

**12. If a new fund is added to the core group of mutual funds within the same asset class can I invest in both funds?**

Yes. You may invest in one or all of the funds available in the VEBA Investment Account. The Schwab SRT account investment platform gives you the flexibility to mix and match your investments to meet your needs, interests and financial situation.

**13. How do I change my address on the VEBA Basic Investment Account?**

Your SelectAccount customer service team can collect and process your change of address. Simply call customer service at toll free 1-800-859-2144 or (651) 662-5065 in the Twin Cities metro area from 7 a.m. to 7 p.m., Monday through Friday.

**14. What is my login and password for the VEBA investment account Web site?**

Once you've logged into the SelectAccount VEBA Web site at **selectaccount.com**, you can access the VEBA investment Web site using your Social Security Number as your login and the last 4 digits of your Social Security Number as your PIN. When you've entered the investment site you have the ability to change both your log in and PIN through the respective links on the Web site.

**15. What if I can't remember my password and get locked out of the Web site?**

If you forget your login information, just call SelectAccount customer service and one of the representatives can reset your user ID and password. This will happen if you enter the wrong login and password three times in a row when accessing selectaccount.com.