



A TASC Division

## Jefferson County Commission FLEXIBLE BENEFIT PLAN INFORMATION

### WHAT IS THE FLEXIBLE BENEFIT PLAN?

This plan, authorized by the IRS, allows you to tax-deduct (for state and federal income tax and social security tax) certain expenses you know you will incur during the plan year which runs October 1st through September 30th.

### HOW WILL THIS PLAN BENEFIT YOU?

By having a specified amount of your gross income redirected to pay for eligible expenses during the plan year, you pay for these expenses with before-tax dollars. Since your taxable income is lowered, you pay less state and federal income tax and less social security tax. Therefore, your total take-home pay (paycheck plus tax-free reimbursements) is more.

### WHO IS ELIGIBLE?

Full-time employees (30 hours per week) are eligible to participate once they complete 31 days of employment. Once you become enrolled, you can change your election each year during open enrollment (effective October 1) or at any time you have a “**change in family status**” (marriage, divorce, childbirth, death, spouse employment change, etc.).

### WHAT EXPENSES CAN BE DEDUCTED?

1. Amounts that are withheld from payroll and applied to pay your portion of medical, dental, vision, disability and group term life insurance premiums.
2. Medical premiums paid outside of payroll for supplemental plan premiums such as cancer, disability\*, accidental death, etc. - except premiums paid by spouse at his or her employer.
3. Dependent care expenses (**\$5,000 maximum per year, \$2,500 if married and filing separately**).
4. Other medical expenses not paid by health insurance (see list attached – **maximum allowed \$2,500**).

A Participant's initial Health Flexible Spending Account election must be at least \$500.

### HOW DO THE SPENDING ACCOUNTS WORK?

When you elect to payroll deduct dependent care expenses or unreimbursed medical expenses, flexible spending accounts are set up on your behalf.

#### Standard Expense Reimbursement

For expenses that are not on a fixed payment schedule, the money you elect will be withheld from your pay before taxes are calculated and set aside in the appropriate flexible spending account. You can get reimbursed for eligible expenses as follows:

**Debit Card** – This is a great way to access your account funds without any out-of-pocket expense. You can use it just like a credit card for any eligible expense. Payments will be deducted immediately from your Flexible Spending Account. Receipts may be required (per IRS guidelines) depending on the merchant's ability to supply automated approval of eligible items. Account balances will be available on the card through the end of the plan year. During the following year, debit card charges will be applied to any prior plan year balance before being used against the current plan year's available election. Benny debit cards get issued in packages of two as part of the initial enrollment process. One is intended for the participating employee while the other is to be used by a dependent. The back of the card should be signed by the person intending to use that card. Additional cards can be ordered by contacting customer service (see contact information on the front page).

**Manual Reimbursement** - As you incur these expenses throughout the year, fax copies of your receipts and the claim form to 1-866-395-4543 and you will receive a tax-free reimbursement payment. A secondary method to submit claims is to mail as follows: BenefitElect, 2740 Ski Lane, Madison, WI 53713.

**Fixed Payments** - For Dependent Care expenses set up on a fixed payment schedule, that is, amounts for which you are obligated to pay a fixed amount periodically throughout the year, money is deducted from your pay before taxes are withheld and a separate payment is issued along with each paycheck. In order to qualify for this special simultaneous reimbursement, you must have a **Dependent Care Contract** form completed by your provider and turn it in **along a completed enrollment form**. Then, you will receive a recurring payment processed on each payroll date.



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## HOW WILL I KNOW THE STATUS OF MY FLEXIBLE SPENDING ACCOUNTS?

If you provide your e-mail address, you will receive an e-mail notification indicating when your reimbursement has been processed as well as a link to your on-line account. In addition, your current status is available at any time at [fsa4me.com](http://fsa4me.com). Instructions for this access are located within the log-in box at [fsa4me.com](http://fsa4me.com). If you provide your e-mail address, you will also receive quarterly statements as a reminder of the balance left in your account.

## WHAT HAPPENS IF I TERMINATE?

If you terminate employment with the company and you still have money that you have contributed in your medical reimbursement account, you may elect, through COBRA, to continue to access these monies for expenses incurred after your termination date through the end of the plan year as long as you continue to make your contributions to the account. If these remaining contributions are taken out of your final paycheck you will continue to take advantage of the tax savings. You will need to contact Human Resources to complete the proper forms and finalize arrangements for these payments.

## WHAT HAPPENS IF I HAVE MONEY LEFT IN MY ACCOUNT AT THE END OF THE PLAN YEAR?

If you incur additional qualified healthcare FSA related expenses within two and one-half (2½) months after the end of the plan year, the money left over from last year will be used up before your current year's election. After 2½ months, the money is forfeited! Therefore, be conservative when you decide how much to have withheld each pay period and indicate only those expenses that you know you will incur for the plan year. You actually have ninety (90) days after the end of each plan year to turn in receipts, but you must incur the expense (e.g. go to the doctor) before the end of the plan year plus the additional 2½ months. Note that you cannot use your debit card for prior year's expenses – use the manual reimbursement. For Dependent Care FSA you actually have ninety (90) days after the end of each plan year to turn in receipts.

## CAN I CHANGE MY ELECTION?

Be aware that you cannot change any election during the plan year unless the change is due to a change in your family status (marriage, divorce, childbirth, spouse employment change), your termination of employment, a change in premium by an insurance company or virtually any change in dependent care.

## CAN I CLAIM THESE EXPENSES ON MY TAX RETURN IF THEY ARE REIMBURSED TAX FREE IN THIS PLAN?

NO! Under current tax law, you are much better off claiming the expense under this plan except the limited circumstance, referred to in the child care paragraph below.

## WHEN SHOULD I CLAIM CHILD CARE ON MY TAX RETURN?

In some circumstances, it may be to your advantage to deduct the child care expenses on your income tax return instead of utilizing the flexible benefits plan. See the charts for guidance below the Log-in prompt at [www.fsa4me.com](http://www.fsa4me.com)

## WILL THE FICA SAVINGS IMPACT MY SOCIAL SECURITY BENEFIT?

The plan provides significant tax savings to you; however, because social security taxes are reduced, you may have a slight reduction of benefits at retirement or disability. This could be offset by simply saving a portion of your tax savings in a retirement savings program such as a 401(k) or IRA and/or purchasing additional insurance coverage.

## WHERE CAN I FIND A LIST OF ELIGIBLE REIMBURSABLE ITEMS?

The IRS determines what health care services and products are eligible to purchase. To help, the Special Interest Group for IAS Standards (SIGIS) assists in determining whether a product qualifies or does not qualify as a medical expense under IRS Code Section 213(d) and applicable IRS guidance. Please see a link to their site below the Log-in prompt at [www.fsa4me.com](http://www.fsa4me.com).

## CAN I GET REIMBURSED FOR OVER-THE-COUNTER (OTC) ITEMS?

There is now a requirement for over-the-counter (OTC) drugs, medicines and biologicals to be accompanied by a physician's prescription in order to be reimbursed under health flexible spending accounts (FSAs), health reimbursement arrangements (HRAs) and health savings accounts (HSAs). Please see additional information below the Log-in prompt at [www.fsa4me.com](http://www.fsa4me.com).

## WHERE DO I CALL WITH QUESTIONS?

For questions on your account, receipts, general, legal or plan questions you may contact our Customer Care Center at (800) 257-0986. As always, the Human Resources Department is also available to assist you with questions.

**PLEASE NOTE:** These materials are for informational and communication purposes only and do not constitute a plan document. If there is any discrepancy between the plan documents and the communication materials, the plan document will override these materials. The plan sponsor has the right to modify, amend, or terminate this plan at any time.