

Things to Remember about Your Flexible Spending Plan

Eligible employees who enroll in the Flexible Spending Plan are able to save three ways. They can use pre-tax dollars to pay for:

1. employer provided insurance premiums,
2. out-of-pocket medical expenses, and
3. dependent care.

Participating in the Plan allows you to lower your payroll tax rate while paying your necessary expenses.

Premiums: The insurance premium dollars you pay for District health insurance can be subtracted from your gross income before taxes are calculated. The only difference you will notice is an increase in your take home pay because your taxes are reduced!

Medical Spending Account: You can set aside the dollars you normally spend on medical and dental expenses for you and your family. The maximum amount is \$2,750 annually. When you decide on an annual amount, we divide that amount into a pay period amount and deduct it from your gross pay before taxes are calculated, reducing the amount of your payroll taxes!

Employees now have the option of carrying over up to \$500 of unused funds at the end of the plan year. Employees are still limited to the \$2,750 maximum salary reduction but the amount of carryover does not need to be deducted from that amount for any given year.

Dependent Care Account: Eligible expenses for day care, adult day care, pre-school tuition and summer day camp may be included in your Flexible Spending Plan if you pay someone to care for your child under age 13, a spouse, or other dependent who is physically or mentally unable to care for themselves while you are at work. The IRS limits the amount to \$5,000 per year or \$2,500 if you are married and file separate tax returns. When you decide on an annual amount, we divide that amount into a pay period amount and deduct it from your gross pay before taxes are calculated, reducing the amount of your payroll taxes!

If you wish to participate in the Plan, you must return your enrollment form no later than June 15, 2020. The enrollment period is held June 1 – June 15. Enrollment forms are needed for each plan year and will NOT be rolled over from one plan year to the next.

Your Flexible Spending Plan year runs from July 1 to June 30. Expenses that will be turned into the Flexible Spending account for reimbursement must be incurred within these dates.

Under IRS (Internal Revenue Service) rules, the amount you elect to have withheld for your Medical Spending Account and/or Dependent Care Account must remain the same for the entire Plan year. You may make a change in your election amount only if you have a qualifying change in family or employment status. These changes must be made within 30 days of the qualifying event. Here is a list of common qualifying changes:

- Birth or adoption of a child
- Marriage or divorce of the employee
- Change in employment status for employee or spouse
- Death of an employee's dependent or spouse
- Unpaid leave-of-absence taken by employee or spouse
- A change in health insurance coverage

Questions on other allowable qualifying changes should be directed to Further.

Reimbursements are coordinated with your payroll checks and are available as often as semi-monthly. Complete instructions for submitting a reimbursement claim are included on the back of the reimbursement form that is available from the District web site: Services>Employee Information>Forms. Claims must be received at Further at least 10 days prior to payday to be processed in time for the next payday.

You have 60 days after the close of the plan year (until August 29) to gather documentation and claim your expenses incurred prior to June 30.

Please note that the Medical Expense and Dependent Care Accounts are completely separate and that the dollars cannot be moved or transferred from one account to another in order to cover any over or under estimated expenses.

Below is a partial listing of allowed and disallowed expenses that can be claimed through the Flexible Spending Plan. For a more complete list visit the Flexible Spending Website at www.hellofurther.com

Allowable Expenses – Only those healthcare expenses NOT reimbursed by insurance or another source (such as TMDR, PMDR, MDR) can be claimed.

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| Acupuncture (excluding remedies and treatments prescribed by acupuncturists) | |
| Alcoholism treatment | Ambulance |
| Artificial limbs/teeth | Chiropractors |
| Christian Science practitioner's fees | Contact lenses and solutions |
| Co-pays | Crutches |
| Deductibles | Dental fees |
| Dentures | Diagnostic fees |
| Dietary supplements and vitamins with doctor's letter of medical necessity | |
| Drugs and medical supplies (i.e. syringes, needles, etc.) | |
| Eye glasses prescribed by your doctor | Eye surgery (cataracts, LASIK) |
| Hearing devices and batteries | Home health care |
| Hospital bills | Insulin |
| Lab fees | Orthodontic fees |
| Orthopedic devices | Over-the-counter drugs that are medically necessary like allergy medications, aspirin or antacids. |
| Oxygen | Routine physicals and other non-diagnostic services or treatments |
| Psychiatric care or psychologist's fees | Smoking cessation programs |
| Smoking cessation over-the-counter drugs | |
| Weight-loss over-the-counter drugs with doctor's letter of medical necessity | |
| Weight-loss programs with doctor's letter of medical necessity | |
| Vitamins, with doctor's letter of medical necessity | |
| X-rays | |

Disallowable Expenses - The following do NOT qualify for reimbursement under a Flexible Spending Plan

- Cosmetic surgery, procedure and/or medications
- Dental bleaching
- Hair restoration (procedures, drugs, or medications)
- Health club or gym memberships for general health
- Marriage and family counseling
- Over-the-counter items, drugs, or medications that are not medically necessary or are not prescribed by your physician.
- Weight loss programs for general health or appearance
- Premiums that you or your spouse pays for insurance coverage that is not sponsored by District #318