

IMPORTANT MEMO: ENROLLMENT FORMS MUST BE SUBMITTED NO LATER THAN 06/07/2019

To: ALL Hermitage School District Employees

From: Monique Horvath, Business Manager

RE: July 1, 2019 to June 30, 2020 Flexible Benefits Plan (Section 125 Plan)

❖ **ALL EMPLOYEES WHO WORK 20 OR MORE HOURS A WEEK ARE ELIGIBLE TO PARTICIPATE IN THE 2019-20 FLEXIBLE BENEFIT PLAN (SECTION 125 PLAN)**

Flexible Benefits Plan (FSA) - The District has continued to contract with SelectAccount to provide administrative services for this plan, this is the same company providing administrative services for the District's HRA accounts. Reimbursement procedures will be the same for both accounts. Participants will be able to use their debit cards to access both HRA and FSA funds.

FORM: Attached is a Flexible Spending Account Enrollment Form.

This form, as well as, some general information regarding Flexible Spending Accounts has been posted on the District's website www.hermitage.k12.pa.us under Offices, Forms, Personnel, Flexible Spending Account

DEADLINE: All forms must be submitted to the business office no later than **FRIDAY, JUNE 7, 2019** to participate for the plan period July 1, 2019 to June 30, 2020.

Directions for completion of this form are as follows:

- **COMPLETE THE ENTIRE EMPLOYEE INFORMATION SECTION (Please Print)**
- **ACCOUNT INFORMATION:**
Please see attached brochures and other documents for additional information – Enrollment packets will be provided to Flexible Spending Account (FSA) Participants after this form is properly submitted:
 - **Medical FSA – If you wish to participate check the Medical FSA box and complete the total dollar amount you would like to contribute, up to a maximum of \$2,700.00).**
Participants in the Medical FSA will have their election amount deducted from their paycheck on a **pre-tax basis**; these funds (up to \$2,700) may be used to pay for IRS-approved medical expenses. You may be reimbursed up to your annual election at any time during the plan period (July 1, 2019 through June 30, 2020) regardless of the actual balance in your account; however, you must incur expenses prior to June 30, 2020. **You may carry over up to \$500 of unspent funds into the next plan year July 1, 2020 through June 30, 2021 . The rollover amount does not count toward your \$2,700 contribution limit.**

Note: Due to changes with the Health Care Reform, over the counter (OTC) drugs are no longer reimbursable without a prescription. However, other OTC medical items (such as bandages or contact lens solution) are eligible without a prescription.

- **Dependent Care FSA – If you wish to participate, check the Dependent Care FSA box and complete the total dollar amount you would like to contribute, up to a maximum of \$5,000.00.** Participants in the Dependent Care FSA will have their election amount deducted from their paychecks on a **pre-tax basis**; these funds (up to \$5,000 (\$2,500 married filing separately) or you or your spouse's earned income for the year) may be used to pay for eligible dependent care expenses. However, you must incur expenses prior to June 30, 2020 and you may only be reimbursed throughout the year for the amount that is in your account at the time you make a claim (**you may not be reimbursed in advance**).

PLEASE BE SURE TO SIGN AND DATE WHERE REQUESTED AT THE BOTTOM OF THE FORM

REMEMBER THE DEADLINE TO SUBMIT FORMS FOR PARTICIPATION IS FRIDAY, JUNE 7, 2019.

IMPORTANT NOTE FOR HEALTH INSURANCE PARTICIPANTS

This Flexible Spending Account has **Automatic Enrollment in Pre-Tax Premium**. Consequently, if you elect health insurance coverage with the District, your premium share will **automatically be deducted on a Pre-tax basis**. If you want to **opt out** of the pre-tax premium payment you must **notify the Business Office immediately**.

- **Pre-tax basis** – this will allow your premium share to be deducted prior to applicable Federal, State and FICA taxes.
- **Post-tax basis** – your premium share will be taxable to you. Generally this option is selected by those individuals close to retirement who wish for their Social Security Wages to be higher. However, often the Social Security Benefit is significantly less than the tax savings. Please consult your financial advisor for more information if you are considering this option.

Please email any questions to me at monique_horvath@hermitage.k12.pa.us.
