

Plainville Community Schools

Flexible Spending Accounts (FSA) Medical Reimbursement Fact Sheet

Enrollment.

Eligible employees (working regularly at least 20 hours per week or at least .50 full time teaching equivalents) can set aside up to \$3,200.00 on a pretax basis per year in a medical reimbursement account for eligible health care expenses. Medical reimbursement accounts can be used to reimburse health care expenses that are not reimbursable under health insurance, including insurance co-payments, deductibles and out-of-pocket expenses for dental and vision care.

Before you enroll, think carefully about how much money you expect to spend in the coming year for covered expenses. **Money deposited into an FSA must be used within three months after the end of the plan year or it is forfeited.** If you are not sure how much money you will spend, it is better to underestimate the amount than to overestimate.

New employees are eligible to enroll in a Flexible Spending Account plan within 30 days of hire. After that, employees can enroll each **December** for the following plan year.

The minimum contribution for each plan is \$20 per pay period. Because of the tax laws, once employees elect to contribute to an FSA, they must continue to make the same contribution throughout the plan year. (Contact the Payroll Department on the limited circumstances where changes are permitted.)

Participation.

FSA's save money by lowering your taxable income. Money from your paycheck goes into the FSA before taxes are calculated. You pay medical costs that you would otherwise pay with after-tax earnings but get reimbursed with pretax FSA money.

It's easy to participate in the flexible spending account. Just follow these steps:

- Make a conservative estimate of your medical expenses for the coming year. Employees can contribute up to \$3,050 per year for medical expenses. Remember, excess contributions are forfeited.
- Fill out the FSA Enrollment Form (Flexible Benefits Plan – Compensation Reduction Agreement). The amount you designate will be withheld from your paycheck in equal pretax payments (minimum of \$20 per pay period).
- Obtain a receipt or proof of payment for any health care expenses you pay. The receipt or proof of payment should include the date of service, description of service, amount, and the company name.
- Submit your receipts with an FSA Reimbursement Form to the payroll department (minimum of \$50 unless it is the final request for reimbursement for the Plan Year). And your eligible expenses will be reimbursed with pretax dollars.
- Submit all claims for the plan year by March 31 of the following year.

Individuals Included for Qualifying Medical Care Expenses

- yourself
- your spouse
- all dependents you list on your federal tax return
- any qualifying relative for whom you provide over half of the support
- if you are divorced or separated, children listed as dependents on their other parent's federal income tax return (and certain other individuals in the case of a multiple support agreement)

Qualifying Medical Care Expenses

- costs that are not covered by medical, dental or vision insurance, including deductibles, co-payments, treatments not covered by insurance, and charges in excess of reasonable and customary charges; medical doctors, dentists, eye doctors, chiropractors, osteopaths, podiatrists, psychiatrists, psychologists, physical therapists, acupuncturists and psychoanalysts
- orthodontic treatments
- hearing care, including hearing aids and special telephones or televisions for the hearing impaired
- prescription medicines and drugs; birth control pills, vaccines, and vitamins
- over the counter drugs and products; ibuprofen, acetaminophen, cold & flu medications, allergy medication, sleep aids
- feminine care products; tampons, pads, liners, cups, sponges or similar products used
- medical equipment
- treatment for drug or alcohol addiction
- medical examinations, X-ray and laboratory services and insulin treatments
- nursing care
- hospital care (including meals and lodging), clinic costs and lab fees
- medical aids; false teeth, eye glasses, contact lenses, braces, orthopedic shoes, crutches, wheel chairs and guide dogs and the cost of maintaining them
- transportation to necessary medical care, including ambulance services and mileage to and from appointments plus parking fees

NON-Qualifying Medical Care Expenses

- expenses for which reimbursements are already available under another medical plan
- premiums paid for health coverage under any plan maintained by Plainville Community Schools or any other employer
- basic cost of Medicare insurance (Medicare A)
- life insurance or income protection policies
- maternity clothes
- diaper service
- nursing care for a healthy baby
- illegal operations or drugs
- travel your doctor told you to take for rest or change
- funeral expenses

In addition, IRS Publication 502, Medical and Dental Expenses, has a checklist of medical expenses that can be deducted and reimbursed under this plan, and those that cannot.