

# FLEXIBLE BENEFITS PLAN

## 2023-2024 PLAN YEAR

Bay District Schools will once again be utilizing plan administrator services from **Optum Financial**. This program provides employees with a tax-saving opportunity along with enhanced reimbursement features (debit card, direct deposit, daily reimbursements, electronic claim submissions & statements). Program details have been attached to the email notification for your review.

The Enrollment Period for the 2023-2024 Bay District Schools Flexible Spending Plan will begin **June 1, 2023** and the deadline to make your election is **June 15, 2023**.

A Flexible Spending Account (FSA) is a tax-free account that reimburses employees for out of pocket medical and dependent care expenses up to the elected amount.

**Employees who desire to participate in the Medical and/or Dependent Care Reimbursement Plan must complete an Election each plan year, these do not carry over from Plan Year to Plan Year.**

**Important Information** – Keep in mind when making your decision to participate, our plan allows employees participating in the Health Care Reimbursement Account to carry forward up to \$610.00 (increased from \$570.00) in unused funds into the next plan year. This is permitted due to the IRS modification of the “use-it-or-lose-it rule”.

### UNDERSTANDING THE PLAN

It is important that you understand the Plan in order to make an informed decision regarding whether to participate. You are not required to participate in the Health/Dependent Care Reimbursement Account Program, **however it is necessary to sign a waiver of participation if you do not want to participate in the Insurance Premium Conversion portion of the program (See Item #1).**

There are three components attributed to the Flexible Benefits Plan offered by Bay District Schools:

1. The **Insurance Premium Conversion** allows you to pay for your share of certain premiums before taxes. **Enrollment in this component is automatic.** This feature enables your portion of insurance premiums (group - health, dental & vision and any other qualified insurance premiums) to be deducted before Federal Withholding or FICA taxes are calculated. **If you do not desire to participate, a waiver form must be submitted. A waiver form is effective for one year and must be received by the Payroll Department by June 15, 2023 to be in effect for the 2023-2024 plan year (July 1, 2023 – June 30, 2024).**
2. A **Health Care Reimbursement Account** allows you to set aside money tax-free to help pay for those expenses that are not covered by insurance. These are expenses that you pay for which you will not otherwise receive reimbursement (deductibles, co-pays, etc.). The maximum amount a participant may allocate for the Health Care Reimbursement Account is **\$3,050.00 (increased from \$2,850.00)** for those projected expenses to be incurred from 7-1-2023 to 6-30-2024. **You must make an election each year as you are not automatically enrolled in this benefit. Elections must be made no later than June 15, 2023. Employees enrolled in the Blue Options High Deductible Plan (Option IV 5192/5193) who have contributions directed to an HSA account are not eligible to participate in the Health Care Reimbursement Account.** Changes in the election amount can only be revised during the plan year if experiencing a qualified status change and the revision must be consistent with the event.
3. A **Dependent Care Reimbursement Account** lets you use tax-free money to help pay for dependent care services that are necessary in order for you to go to work. The maximum amount allowed for dependent care reimbursement is **\$5,000.00 (no change)** for those projected dependent care expenses to be incurred from 7-1-2023 to 6-30-2024. **You must make an election each year as you are not automatically enrolled in this benefit.**

**Elections must be made no later than June 15, 2023.** Changes in the election amount can be revised during the plan year with no qualified status change requirement.

## **HOW THE FLEXIBLE BENEFIT REIMBURSEMENT ACCOUNTS AFFECT YOU?**

This is an employee benefit that should result in monthly savings to all eligible employees. However, there are some risks that you need to consider.

1. The IRS and the Plan limit the amount you can set aside in the Flexible Benefits reimbursement accounts. Any money you do not use from a reimbursement account for expenses incurred during a plan year may be forfeited.
2. Because you do not pay Social Security taxes on your Flexible Benefits Plan redirection monies, your eventual Social Security benefits at retirement or disability may be reduced. For most employees, the advantages of using the money tax-free will probably out weigh any potential reduction in Social Security benefits in the future.
3. **MONTHLY FEES:** Employees who have Health Care and/or Dependent Care Reimbursement Accounts will pay **\$3.10** per month.
4. **INSURANCE PREMIUMS:** You may only make insurance coverage changes during an open enrollment period or when experiencing a family status change (marriage, divorce, gain or loss of dependent, gain or loss of employment of employee or spouse, gain or loss of insurance coverage due to spouse/dependents' employment), or a significant change in insurance coverage and/or premiums of employee or spouse/dependents. **YOU MUST MAKE ANY INSURANCE COVERAGE CHANGES WITHIN 30 CALENDAR DAYS OF ANY QUALIFYING EVENT.** Therefore, it is very important that you take appropriate action immediately upon the experience of a qualifying event.

### **IT WILL BE NECESSARY TO COMPLETE THE FOLLOWING:**

If you **do not** wish to participate in the Insurance Premium Conversion (#1), it will be necessary for you to execute a **Waiver Form** and submit to the Insurance Department by **June 15, 2023**. The Waiver Form can be obtained from the Insurance Department at the District Office or has been provided on the email notification. *Online waiver of this feature is not available and requires paper submission.*

If you want to participate in the Insurance Premium Conversion (# 1), no additional steps are required as you will automatically be enrolled.

If you wish to participate in the Health Care and/or Dependent Care Reimbursement Account (See #2 and #3), it will be necessary that you execute an election by **June 15, 2023**. Election is performed online - see below instructions.

We will be utilizing the online Benefit Enrollment process ([Benefit Connector](https://baycountyschools.benefitconnector.com/index.xhtml)) to make elections for the upcoming year. This system enables you to make your election at anytime during this enrollment period – 24/7, all you need is a computer or smart phone with internet access. You can access Benefit Connector from the District Website or at the following link: <https://baycountyschools.benefitconnector.com/index.xhtml>

Benefit Connector Log-In/ Registration Instructions have been attached to the notification email. You will be given the option to print a Confirmation Statement of your election upon the completion of this process. This is recommended so you have documentation supporting your election decision.

Should you need assistance with the enrollment process or if you have questions with regard to the plan, contact Kelly Starling at 767-4213 or Brittani Wolfe at 767-5284 for further assistance.