

2016 Flexible Benefit Plan

Enrollment Guide



Plan Administered in Partnership with:



FLEX ENROLLMENT GUIDE

What are Flexible Spending Accounts?

Flexible Spending Accounts (FSAs) allow Participants to use pre-tax money to pay for certain eligible expenses that would otherwise be paid for with after-tax money. FSAs create reimbursement accounts that are used to pay for qualified expenses related to:

- Healthcare (medical, dental, and vision) expenses
- Dependent & daycare expenses

FSAs are not “insurance” plans; rather, they are “tax savings” benefits and participation in each is voluntary. If you decide to participate, the dollars you elect to contribute to these accounts will be set aside through payroll deduction prior to taxes being calculated.

As eligible expenses are incurred throughout the year for you and your tax dependents, you are able to submit a claim against your accounts and be reimbursed with your pre-tax contributions for the amount of those expenses. The dollars you set aside in these accounts are exempt from:

- Federal Income Tax
- State Income Tax
- FICA Tax
- City Income Tax

The Medical Flexible Spending Account is fully pre-funded; in other words, your full annual election is available to you on your first day of participation.

Reimbursements for eligible Dependent Care expenses are made to the extent of your available payroll contributions at the time of reimbursement.

Any cost or fee to me? No.

Must I participate in my employer’s health insurance? FlexSystem is not tied to any insurance plan or company. You may participate in FlexSystem regardless of your particular insurance provider.

How does a Cafeteria Plan affect Social Security benefits? Reduction of your Social Security benefits will be minimal and is offset by the tax savings and lower health care costs available under FlexSystem. To compensate for this minimal reduction you may consider increasing your retirement plan funding.

How does the Dependent Care Account compare with the tax credit available on the individual Form 1040? The circumstances that determine which option offers greater savings vary from family to family, as such, the decision to choose the tax credit or the dependent care deduction may be made on a case by case basis only. Participation in FlexSystem results in an immediate savings on Federal, State and Social Security tax, whereas the Federal credit will affect Federal Income Tax only and will be taken at year-end.

Vantage Financial Group Partners With TASC:

Vantage Financial Group’s FSA, HRA and TRA processing systems and call center services will now be powered by TASC (Total Administrative Services Corporation) an industry leader in reimbursement account technology and support services to bring to our clients and participants cutting edge reimbursement, cash management and call center technology.

Total Administrative Services Corporation provides state-of-the-art administrative services and technology platforms for qualified reimbursement accounts such as FSA, HRA and Transportation Reimbursement Accounts. They have over 30 years of experience and are headquartered in Madison, Wisconsin. TASC maintains a network of regional offices throughout the United States.



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You Must Plan Carefully.

Flexible Spending Accounts are governed by Federal tax laws. The Internal Revenue Service (IRS) requires that once you set aside money into a Medical or Dependent Care Flexible Spending Account, you can only use those dollars to pay for eligible services that you incur during that same Plan Year. The IRS defines “incurred” as the date(s) on which the Medical or Dependent Care expense is performed, not when you are formally billed, charged for, or pay for the care (orthodontia payment plans are an exception).

In no case may the contributions be refunded or moved from one type of account to another. Likewise, changes in your contribution elections are restricted. Changes to your original Medical amount are only permitted if you have a qualified change in status :

- Marriage, divorce, legal separation
- Death
- Birth, adoption or placement for adoption of a child
- Change of employment or unpaid leave of absence for you or your spouse.

The contribution change must be on account of and consistent with the Change in Status Event. Changes to the Dependent Care Account can be made as the need for or availability of day care services change.

You should plan very carefully when putting dollars into a Flexible Spending Account. Be sure to use the worksheet included in this booklet when estimating your annual ‘out of pocket’ expenses for the Medical and Dependent Care Flexible Spending Accounts.

Active Employees: Your employer will specify the number of days after the end of the Plan Year to submit claims for expenses incurred during the Plan Year. Claims submitted (postmarked/fax dated) after the deadline will not be paid, and any balance remaining in your accounts will be forfeited per IRS rules. Please refer to your employer’s Plan Highlight Sheet for guidelines related to your deadline.

Terminated Employees: Your employer will specify the number of days from your separation date to submit claims for expenses incurred prior to your separation date. **No claims will be paid for expenses incurred after your termination of employment.** Any balances remaining in your account after the deadline has expired will be forfeited per IRS rules. Please refer to your employer’s Plan Highlight Sheet for guidelines related to your deadline.

What is the “Rollover Provision”

The IRS has implemented a provision that allows for a maximum of \$500.00 of your flexible spending funds to rollover into the following plan year. As long as you are an active employee the funds are available with or without an new FSA election in the new year.



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How Do These Plans Save You Money?

Illustrated below is an example of how the tax advantages of the Flexible Spending Plan can increase spendable income.

Estimated annual out-of-pocket expenses of \$1,400.

	Without A Medical Flexible Spending Account	With A Medical Flexible Spending Account
Jane's Annual Income	\$30,000.00	\$30,000.00
Annual Contribution (based on estimated Medical expense)	\$0.00	(\$1,400.00)
Jane's Taxable Income	\$30,000.00	\$28,600.00
Federal Income Tax (15% tax rate)	(\$4,500.00)	(\$4,290.00)
FICA Tax (7.65% tax rate)	(\$2,295.00)	(\$2,187.90)
State Tax (3% tax)	(\$900.00)	(\$858.00)
City Tax (2% tax rate)	(\$600.00)	(\$572.00)
Net Income	\$21,705.00	\$20,692.10
Jane's After-Tax Medical Expenses	(\$1,400.00)	\$0.00
Jane's Net Spendable Income	\$20,305.00	\$20,692.10

Set aside \$1,400.00
in a Flexible Spending Account
for eligible expenses and...

Save \$387.10

*Based on average 27.65% tax savings
by not paying Medicare, Federal, State,
and Local Taxes*



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Flexible Spending Expense Worksheet.

Please use this worksheet to help you determine the amount of your contributions to the Plan. Review your records for last year's expenses, and forecast this year's expenses for you and your eligible dependents.

<u>Dependent Care Flexible Spending Account</u>	<u>This Year</u>	<u>Next Year</u>
1. If you are a single parent or your spouse works, how much do you pay for Dependent Care for children under age 13?	\$ _____	\$ _____
2. How much do you pay for Dependent Care for any other eligible dependents you have?	\$ _____	\$ _____
Projected 'Out of Pocket' Dependent Care:	\$ _____	\$ _____
Now divide by the number of payrolls and that will be your per-pay contribution for Dependent Care. The total annual election cannot exceed \$5,000 for Dependent Care Flexible Spending.		\$ _____
<u>Medical Flexible Spending Account</u>		
Medical Expenses (Not covered by insurance or another plan):		
1. Deductibles, co-insurance, co-pays and Over-the-Counter expenses?	\$ _____	\$ _____
2. Vision Care: laser surgery, eye exams, contact lenses, glasses?	\$ _____	\$ _____
3. Chiropractic Care?	\$ _____	\$ _____
4. Other medical expenses not covered by insurance?	\$ _____	\$ _____
Dental Expenses (Not covered by insurance or another plan):		
1. Exams, cleaning, x-rays, etc.?	\$ _____	\$ _____
2. Fillings, crowns, bridge, TMJ treatment?	\$ _____	\$ _____
3. Orthodontia?	\$ _____	\$ _____
4. Other dental expenses not covered by insurance?	\$ _____	\$ _____
Projected 'Out of Pocket' Medical Expenses:	\$ _____	\$ _____
Now divide by the number of payrolls and that will be your per-pay contribution for Medical.		\$ _____



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MyCash Account and Mobile Tools.

MyCash Account

- Fast and Easy Reimbursement Option
 - Auto-deposit a reimbursement to the TASC Card in MyCash account
 - Alternative to waiting for a reimbursement check
 - Works like Cash at any MasterCard retailer or ATM network
 - Transforms TASC Card into a multi-payment resource!
- Integrated with MyTASC and works with existing FlexSystem Benefit Accounts
- New Mobile Application
 - Free download from Apple® and Android Market™ for smart phones and tablets
 - Secure login with MyTASC username and password
 - Check real-time account balance
 - Submit a claim for reimbursement (use embedded camera to capture receipt or form)

Mobile Tools

- Text Messaging (SMS) to FlexSystem
 - Obtain account balance
 - Submit a claim for reimbursement
 - Participants activate through their MyTASC account online



FlexSystem™ Text Notifications
FSA Account Text Messaging Instructions

Account Balance Check
Text TASC BAL to number **41411**

Request for Reimbursement (RFR) Submission
Text TASC RFR <Service Code> <Store> <\$Amount> to **41411**
Example: TASC RFR MD Walgreens \$5

Service Codes

MD-Medical	RX-Prescription	OT-Over the Counter	MP-Medical Preventive
DN-Dental	VS-Vision	DC-Dependent Care	
PK-Parking	MT-Mass Transit	IP-Individual Premiums	



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How Do I Enroll?

Indicate your desired contribution for Medical and Dependent Care. Keep the following in mind when choosing your elections:

1. For Medical/Dependent Care Accounts, your annual election is binding for the entire Plan Year, unless you experience a Qualified Change of Status event and submit a Change of Election form to your Benefit Department within 30 days of the change of status event date.
2. If you choose to contribute to a Dependent Care Flexible Spending Account and file Form 1040, you must complete IRS Form 2441 (Child and Dependent Care Expenses) as well. It is recommended that you consult with a tax advisor to determine if it is more cost effective to claim a dependent care tax credit, if eligible, rather than participate in the Dependent Care Flexible Spending Account.
3. No portion of an FSA balance can be refunded to you except to the extent that you submit eligible claims (subject to COBRA continuation guidelines).
4. No reimbursement will be made for any expense incurred after separation of employment from your employer.
5. You may not transfer account balances between accounts.

Medical/Dependent Care Flexible Spending Account elections are made on the benefits open enrollment system. Your Plan Highlight Sheet provides eligibility requirements and guidelines.

Who Do I Call if I Need More Information?



Total Administrative Services Corporation
2302 International Lane
Madison, Wisconsin 53704-3140
(800) 422-4661
www.tasconline.com



