Sutter County Superintendent of Schools

FLEXIBLE BENEFIT PLAN

October 1, 2016 – September 30, 2017

THIS PACKET INCLUDES YOUR FLEX PLAN SUMMARY AND OTHER IMPORTANT INFORMATION

YOUR FLEX SUMMARY PLAN DESCRIPTION (SPD) IS AVAILABLE ONLINE

EMAIL
CUSTOMERSERVICE@BASICPACIFIC.COM

WEBSITE
BASICPACIFIC.COM

PHONE	FAX	MAILING ADDRESS
(916) 303-7090 (800) 574-5448	(916) 303-7083 (800) 584-4591	PO BOX 2170 ROCKLIN, CA 95677

BASIC® pacific formerly CBA

PRE-TAX BENEFIT PLAN

Your employer offers tax-free benefit plan(s) that provide you with ways to save up to thousands of dollars per year by offering the option to pay for certain types of expenses with pre-tax payroll deductions. If you choose to participate, you will reduce your taxable income which ultimately results in you having more money to spend!

This packet contains important information about your pre-tax benefit plan(s). For more details about the plan, please refer to your Summary Plan Description (SPD).

MEDICAL FLEXIBLE SPENDING ACCOUNT (FSA)

WHAT IS THE MAXIMUM I CAN ELECT?

The maximum you can elect is **$2,500** per plan year (no minimum).

HOW DO I USE THE MEDICAL FSA?

The Medical Expense FSA allows you to set aside tax-free dollars that will reimburse you for "qualified" medical, dental and vision expenses "incurred" during the plan year. "Incurred" means the service must be performed during the plan year. "Qualified" expenses include most medically necessary (meaning not cosmetic) out-of-pocket medical, dental, and vision related expenses. Insurance premiums of any kind, including Medicare, individual health insurance, long-term care, warranties, or membership fees that are not directly related to care are not eligible for reimbursement through the Medical FSA.

IRS Publication 502 offers helpful information as a guide to what qualifies as a medical expense. Please be advised Publication 502 addresses all expenses that can be deducted on your individual tax return, not just the expenses that are eligible for reimbursement through a Medical FSA.

IRS Publication 969 is another good source of information for medical FSAs.

FOLLOWING IS A SAMPLE OF PERMITTED EXPENSES:

ACUPUNCTURE	LABORATORY FEES
ALLERGY TREATMENTS	LASER EYE SURGERY
CHIROPRACTIC	MEDICAL MILEAGE
CONTACT LENSES & SUPPLIES	ORTHODONTIA (CHILD & ADULT)
DENTAL (NO TEETH WHITENING)	OVER-THE-COUNTER MEDICAL ITEMS & SUPPLIES (RESTRICTIONS MAY APPLY)
DOCTOR OFFICE VISITS & EXAMS	PRESCRIPTIONS (MEDICALLY NECESSARY)
GLASSES (PRESCRIPTION)	PSYCHIATRIC CARE
HEARING AIDS	STERILIZATION
HOSPITAL SERVICES & SURGERY	THERAPY (NO MARRIAGE/FAMILY COUNSELING)
INSULIN & INSULIN SUPPLIES	VACCINES (INCLUDING FLU SHOTS)
INSURANCE CO-PAYS & DEDUCTIBLES	VISION EXAMS

CAN I BE REIMBURSED THROUGH AN FSA FOR HEALTH EXPENSES INCURRED BY MY FAMILY MEMBERS?

Yes! You may save taxes on all qualified medical expenses incurred by you, your spouse, and your dependent children. You may NOT be reimbursed for expenses incurred by a domestic partner unless your domestic partner is your federal tax dependent.

Your plan allows reimbursement for qualified expenses that you incur for an eligible adult child up to age 26.

DOES OUR MEDICAL FSA PLAN INCLUDE A GRACE PERIOD?

Yes! Your spending account(s) include a 2 1/2 month grace period after the end of each plan year. You may incur expenses until **December 15** that can be applied toward the remaining balance in your prior year account(s).

WHAT IS THE LAST DATE I CAN SUBMIT FSA CLAIMS FOR THE PLAN YEAR?

If you are an active participant on the last day of the plan year, your designated final filing date is **March 15, 2017**. Please keep in mind that any unused amount left in your account is forfeited at the end of the plan year. This rule is commonly known as "use it or lose it."

DOES OUR FSA PLAN INCLUDE A DEBIT CARD?

Yes! New participants will receive two debit cards at no cost. You may provide the second debit card to your spouse or adult dependent, or keep the second card as an alternate card to use, just in case.

If you order additional cards, or replacements for a lost/stolen card, a $10 fee will be paid by the Participant.

DO NOT throw away your debit cards after you exhaust your account(s). The debit cards are valid for up to 3 years at a time and are reloadable. If you throw away your debit card before it expires, a fee will be charged when you order a new card.

Your debit card can be used to pay for qualified services at providers that accept VISA or by using your PIN (Personal Identification Number). To obtain a personal PIN for your debit card, call 1-866-898-9795 and the automated system will walk you through the process.

HOW DO I ENROLL IN THE FSA PLAN?

You will make your Spending Account election using the **BASIC pacific Enrollment Form**. The appropriate enrollment instructions and/or forms are included or may be provided to you separately by your employer, if applicable.

CAN I PARTICIPATE IN A FSA AND HSA (HEALTH SAVINGS ACCOUNT) AT THE SAME TIME?

If you participate in the Medical FSA, neither you nor your spouse (if applicable) is permitted to make contributions to a HSA at any time during the plan year.

CAN I BE REIMBURSED MORE THAN I'VE HAD DEDUCTED FROM MY PAYCHECK?

The Medical FSA account is pre-funded, meaning your entire annual election amount is available for reimbursement at any time during the plan year, regardless of the amount you have contributed from your paycheck.

WHAT HAPPENS IF MY EMPLOYMENT TERMINATES OR I LOSE ELIGIBILITY TO PARTICIPATE IN THE PLAN(S)?

Medical FSA:Benefits will not be payable for services rendered after the day on which you lost your eligibility to participate. (Refer to your SPD for information about COBRA for the Medical FSA, if it is available).

BASIC pacific must receive your Medical FSA claims for reimbursement no later than **30 days after the date your eligibility ended** for expenses that were incurred prior to the date your participation ended.

HOW DO I DETERMINE HOW MUCH MY FAMILY WILL SPEND ON HEALTH SERVICES?

The worksheet on the following page will help you calculate how much your entire family will spend on medical services during the course of the plan year.

- Only include services or expenses you will incur during the plan year based on the date of service (not the date you pay for a service).

- While determining the amount you would like to contribute on an annual basis, please keep in mind that any unused amount left in your account is forfeited at the end of the plan year. This rule is commonly known as "use it or lose it."

DO NOT include expenses for the following services:

- "Boutique" Medical Access Fees (Membership fees paid for access to a particular doctor)
- Capital expenses (including operating & maintenance costs)
- Cosmetic services
- Electrolysis
- Expenses for your general health
- Expenses paid by another plan
- Food (of any type)
- Health club membership dues
- Insurance premiums
- Massage & massage therapy (unless prescribed to treat a specific medical condition)
- Marriage & family counseling
- Vitamins, supplements & herbal remedies (unless prescribed by a physician)
- OTC Drugs & Medicines (without a written prescription)

ANNUAL HEALTH EXPENSE CALCULATOR WORKSHEET

OFFICE VISITS & CO-PAYMENTS	
MEDICAL OFFICE VISITS	$
ACUPUNCTURE OFFICE VISITS	$
CHIROPRACTIC OFFICE VISITS	$
THERAPY (NO MARRIAGE OR FAMILY COUNSELING)	$
HOMEOPATHIC OFFICE VISITS	$
PRESCRIPTION DRUGS (LEGAL)	
ALLERGY TREATMENTS	$
BIRTH CONTROL PILLS	$
OTHER PRESCRIPTION DRUGS	$
VISION EXPENSES	
EYE EXAMS	$
CONTACT LENSES AND SUPPLIES	$
PRESCRIPTION EYEGLASSES	$
PRESCRIPTION SUNGLASSES	$
LASER EYE SURGERY	$
DENTAL EXPENSES	
DEDUCTIBLES	$
EXAMINATIONS	$
TEETH CLEANING	$
CROWNS, BRIDGES, ROOT CANALS	$
ORTHODONTIA	$
OVER-THE-COUNTER MEDICAL SUPPLIES	
BAND AIDS, FIRST AID KITS, ETC.	$
OTHER EXPENSES	
IN VITRO FERTILIZATION	$
INSULIN AND INSULIN SUPPLIES	$
PSYCHIATRIC CARE	$
MEDICAL MILEAGE	$
TOTAL	$

OVER-THE-COUNTER (OTC) DRUGS, MEDICINES, AND SUPPLIES

Saving taxes on your OTC drugs, medicine, and medical supply purchases is a great way to maximize the benefits of your Medical FSA. However, your OTC purchases may have some restrictions. OTC drugs and medicines require a prescription from a physician to be reimbursed through your Medical FSA. However, there are still 27,000 OTC medical products and supplies that can be reimbursed through your Medical FSA without requiring a prescription. The following is a sample list of OTC medical products that may be reimbursed through your Medical FSA.

NO PRESCRIPTION REQUIRED	PRESCRIPTION REQUIRED	NEVER ELIGIBLE
Alcohol Wipes	Acne Medications	Aromatherapy products
Band Aids	Anti-Inflammatory Treatments	Baby bottles, cups, oil, wipes
Blood Pressure Monitor	Anti-Itch Treatments	Cosmetics
Braces & Supports	Antifungal Treatments	Cotton swabs or pads
Canes	Antiseptics & Topical Antibiotics	Deodorants and antiperspirants
Catheters	Allergy, Cold, Flu, and Cough Medications	Diapers
Colostomy Products	Asthma Medications	Facial care
Contact Lens Supplies & Solution	Birth Control	Feminine care
Contraceptives	Bunion/Blister Treatments	Food (of any type)
Defibrillators	Cold Sore & Fever Blister Medications	Fragrances
Denture Adhesives	Corn & Callus Removal Medications	Hair re-growth
First Aid Kits	Diaper Rash Ointment	Dietary foods
Glucose Meters	Digestion/Gas Aids	Oral care (e.g. Sonicare)
Home Screening Tests (Cancer, Cholesterol, Fertility, Hepatitis C, HIV, Pregnancy, Prostate, Thyroid)	Ear Drops	Shampoo and conditioner
Hot & Cold Packs	Eye Drops	Skin care
Insulin & Diabetic Supplies	Hydrogen Peroxide, Iodine	Spa salts
Liquid Adhesive	Laxatives	Sun tanning products
Medicated Bandages	Lice Control	Toothbrushes
Reading Glasses	Motion Sickness Tablets	
Sleeping/Snoring Appliances	Nasal Sprays, Drops & Strips	
Wheelchairs & Walkers	Nicotine Gum or Patches	
	Oral Pain Remedies	
	Pain Relievers	
	Sinus Medications	
	Sleeping Medicines	
	Throat Pain Remedies	
	Wart Removal Medications	
	*Herbs	
	*Herbal Remedies	
	*Minerals	
	*Other Natural Remedies	
	*Supplements	
	*Vitamins	

** = Requires a Letter of Medical Necessity from your Doctor*

DEPENDENT CARE SPENDING ACCOUNT (DCFSA)

WHAT IS THE MAXIMUM I CAN ELECT?

The maximum you can elect is **$5,000** per plan year (no minimum).

The maximum tax exclusion permitted during a 12-month calendar year is $5,000 per individual taxpayer or married couple filing a joint tax return. The maximum amount permitted could be reduced under the following circumstances: (1) If you are married and file a separate tax return, the maximum you may elect is $2,500; (2) If your spouse earns less than $5,000, you may not elect more than your spouse earns during the Plan Year; (3) If your spouse is a full-time student or incapable of self-care, the maximum you may elect is $3,000 for one child in day care or $5,000 if you have two or more children in day care.

CAN I BE REIMBURSED MORE THAN I'VE HAD DEDUCTED FROM MY PAYCHECK?

At no time can you be reimbursed more than you have actually contributed to your account through payroll deduction.

HOW DO I USE THE DEPENDENT CARE FSA?

The Dependent Care FSA allows you to be reimbursed for custodial or day care expenses for children that are your federal tax dependents under age 13, or for a disabled adult federal tax dependent that lives with you, so that you and your spouse (if applicable) can work, attend school or actively look for work.

Your daycare provider may not be your dependent or child under the age of 19.

Only the Custodial Parent is eligible to participate in the Dependent Care FSA. In the case of divorce, the Custodial Parent is the parent with whom the child lives for MORE THAN 50% of the year. Only one parent can qualify as the Custodial Parent.

QUALIFIED DAYCARE EXPENSES INCLUDE:

- Actual reportable ("above the table") daycare expenses incurred during the plan year (separate fees for services such as transportation, meals, classes, lessons, trips or supplies are not reimbursable unless the charges are included as part of your base fee – not itemized.)
- Day camps, including day camps that focus on specific activities such as sports and arts (overnight camps are excluded even if the camp apportions the day camp and overnight charges.)
- Educational (tuition) charges for kindergarten and over are NOT eligible for reimbursement.
- The maximum amount you may elect is reduced for couples that file separate returns, when one spouse is a student or when a spouse earns little or no income.
- Determine your election amount for the entire plan year. Do NOT elect more than your actual expenses. Your annual election is then deducted pre-tax from your pay in equal installments throughout the plan year.

WHAT IF THE AMOUNT OF MY DAYCARE EXPENSE CHANGES DURING THE YEAR?

In most cases, if you experience a change of status, or the cost for care changes during the plan year, you may be permitted to adjust your election. However, there are significant restrictions. Therefore, you need to choose your election wisely because you will not be permitted to change your election simply because you elect too much, make a mistake, or even if you just decide to change to a less expensive provider. In any event, you must notify your employer within 30 days of the event that is causing the change. Please refer to your SPD for additional details.

WHICH IS BETTER, THE DEPENDENT CARE FSA OR THE FEDERAL TAX CREDIT?

Generally, the FSA is much better but it depends on a combination of your income, whether you have one or two children in care, and how much you pay for care. The credit is calculated as a percentage of your day care expense. The percentage that you receive depends on your Adjusted Gross Income (AGI). Use the following chart to locate your percentage. To determine the value of your credit, multiply your percentage by the LESSER of the amount you pay for day care or $3,000 if you have one child in care or $6,000 if you have two or more children in care.

For example, if your AGI is $60,000 and you spend $5,000 for the care of one child, your credit will be $600 (20% of $3,000). Conversely, if you use the FSA, you could expect to save as much as $2,000 in taxes on the same $5,000 expense. This is why most families choose to participate in the Dependent Care FSA.

For additional information on your estimated federal tax credit based on your AGI please review IRS Publication 503, Child and Dependent Care Expenses.

DOES OUR DEPENDENT CARE FSA PLAN INCLUDE A GRACE PERIOD?

Yes! Your spending account(s) include a 2 1/2 month grace period after the end of each plan year. You may incur expenses until **December 15** that can be applied toward the remaining balance in your prior year account(s).

WHAT IS THE LAST DATE I CAN SUBMIT DEPENDENT CARE FSA CLAIMS FOR THE PLAN YEAR?

If you are an active participant on the last day of the plan year, your designated final filing date is **March 15, 2017**. Please keep in mind that any unused amount left in your account is forfeited at the end of the plan year. This rule is commonly known as "use it or lose it."

WHAT HAPPENS IF MY EMPLOYMENT TERMINATES OR I LOSE ELIGIBILITY TO PARTICIPATE IN THE PLAN(S)?

Benefits will not be payable for services rendered after the last day of the plan year during which you lost your eligibility to participate.

Flexible Benefit Plan Enrollment Form

OCTOBER 1, 2016 PLAN YEAR
Administered by BASIC pacific (formerly CBA)

EMPLOYER: Sutter County Superintendent of Schools **PLAN YEAR ENDING: September 30, 2017**

1 ***Employee Information -*** Please print clearly

FIRST NAME	LAST NAME	SOCIAL SECURITY NUMBER

MAILING ADDRESS	CITY	STATE	ZIP CODE

DATE OF BIRTH	DAYTIME PHONE NUMBER	E-MAIL ADDRESS (required with Debit Card)

2 ***Make Your Elections -*** Enter your election for each account.

Medical FSA

☐ I elect to participate in the Medical FSA. The amount I elect for the PLAN YEAR is **(maximum $2,500):**

$_____/ Plan year

Your annual election will be deducted from your pay in equal installments throughout the plan year.

Dependent Care FSA

☐ I elect to participate in the Dependent Care FSA. The amount I elect for the PLAN YEAR is **(maximum $5,000):**

$_____/ Plan Year

Your annual election will be deducted from your pay in equal installments throughout the plan year.

3 ***Your plan includes TWO initial Debit Cards at no cost to you*** *(debit cards are good for 3 years)*
The second Debit Card may be given to your Spouse or Adult Dependent to use, if applicable.

4 ***Direct Deposit Authorization –*** Complete the banking information if you wish to establish direct deposit with BASIC pacific for your non-debit card reimbursements (or change your current direct deposit banking information on file with BASIC pacific).

By completing the banking information below, I hereby authorize BASIC pacific to deposit all non-debit card reimbursements directly into my personal bank account at the financial institution named below. I understand that I may cancel this authorization at any time by notifying BASIC pacific in writing. I further understand that I am responsible to notify BASIC pacific if, for any reason, my bank account information changes. If I do not sign up for Direct Deposit, I understand all non-debit card reimbursements will be paid to me by check.

Please Note: If you previously signed up for Direct Deposit with BASIC pacific, ***you will continue*** to be reimbursed for non-debit card expenses via direct deposit. If you wish to cancel your banking of record, please write CANCEL on the line below.

_____ Checking ☐ Savings ☐
Name of DEPOSITORY (Name of Financial Institution)

_____ _____
Bank Routing Number Account Number

5 ***By checking the box below, you are agreeing to the terms and conditions printed on the back of this form***

☐ I certify that I have read and agree to all the "Terms & Conditions for Participation in the Flexible Benefit Plan" printed on the back of this Election Form. I hereby authorize my employer to deduct the amounts listed above from my compensation.

EMPLOYEE SIGNATURE:_____ **DATE**: ____/____/____

6 ***To be completed by Employer***

AUTHORIZED EMPLOYER SIGNATURE	BENEFITS EFFECTIVE DATE (May not precede the date employee signed form)	DATE OF HIRE	DATE OF 1ST DEDUCTION
_____	_____	_____	_____

Terms & Conditions for Participation in the Flexible Benefit Plan

I fully understand and agree that:

- I may never be reimbursed for expenses "incurred" (the date services are actually performed) prior to the later of, the date I am eligible to participate or the date I complete the enrollment form.
- Once made, my elections are "irrevocable" during the plan year unless I experience a "qualifying and related change in status". I understand that I must refer to my SPD for details.
- If I am an active employee as of the last day of the plan year, I will forfeit any remaining balance left in my reimbursement account(s) unless BASIC pacific "receives" my claim for qualified expenses by the last day of my "run-out period".
- If I terminate employment, or otherwise lose my eligibility to participate in the reimbursement accounts during the plan year, I may be required to submit claims for reimbursement shortly after losing my eligibility (refer to your SPD for the filing deadline if you terminate participation during the plan year). If I do not submit my claim for reimbursement by the deadline, I understand and agree that I will forfeit any remaining balance left in my reimbursement account(s).
- I may only receive reimbursements for qualified expenses incurred (date services are performed) during the plan year.
- I may be reimbursed for expenses incurred by myself, my spouse, my dependent children, and any other individual who qualifies as my federal tax dependent.
- I may not be reimbursed for expenses incurred by my domestic partner and/or their dependent children, unless my domestic partner and/or their children also qualify as my federal tax dependent(s).
- I may never seek reimbursement before an expense is "incurred" (performed).
- By participating in my flexible benefit (cafeteria) plan, I may reduce my Social Security tax contribution, and therefore, could potentially reduce my future social security benefits.
- My employer may modify or revoke my elections at any time if required to maintain the Plan in compliance with all applicable provisions of the Internal Revenue Code (IRC).
- This agreement is subject to the terms and conditions of the Plan and revokes any prior agreement I may have completed.
- I must make a new election each year (insurance premiums excepted). My FSA elections will not automatically roll-over.
- I am responsible to determine if the tax benefits provided by the Dependent Care FSA are superior to the federal tax credit.
- I am responsible to reimburse my employer for any benefits received, taxes, penalties or interest that may be imposed if I knowingly violate the terms of the Plan.
- I have received a Summary Plan Description (SPD) for the Flexible Benefit Plan.

Additional Debit Card Terms & Conditions

- I will only use my Debit Card for eligible expenses [including medical expenses as defined in Code § 213(d)]. In addition, certify that any expenses paid for with my Debit Card have not been reimbursed by any other source. In addition, I certify that I will not seek reimbursement for the same expense under any other plan.
- I will repay any Debit Card payment that has been declined by the Plan in a timely manner.
- I am fully responsible for the Debit Card activity of my spouse or other federal dependent for whom I have authorized to receive an additional Debit Card.