

FLEXIBLE BENEFIT PLAN (125)

A Flexible Benefit Plan, also known as a Cafeteria Plan, or Section 125 Plan, allows employees to purchase certain benefits with pre-tax dollars. An employee may choose to contribute a portion of their salary before taxes are withheld into a Medical Reimbursement and /or a Dependent Daycare Account.

1. A Medical Reimbursement Account may be used for paying a portion of the District-sponsored insurance premiums or for out of pocket health related expenses. A list of eligible expenses is available from the District Human Resources Office.
2. A Dependent Daycare Account may be used if both parents are employed and incur expenses for the daycare of children under age thirteen (unless disabled). Educational expenses are not considered to be part of a Dependent Daycare program, and are not eligible for reimbursement through this type of an account.
3. The plan year runs from January 1st through December 31st of each year. Every November, the District Human Resources Office will notify employees of their opportunity to enroll for the next plan year.
4. New employees will have 30 days from their date of hire to submit an enrollment form for the remainder of the plan year.
5. Employees must complete an Election Form and Salary Redirection Agreement for each plan year.
6. Eligible expenses must be incurred during the current plan year. Expenses must be submitted to the plan administrator and must be substantiated with a receipt or invoice. Required items that must be included in every claim are:
 - a) Date(s) of service.
 - b) Name of provider(s).
 - c) Description of services provided.
 - d) Condition requiring treatment (for Medical claims only).
 - e) Amount of expense and any insurance payments (if applicable).
 - f) Signature of provider on claim form if no receipt is available (for Dependent Daycare claims only).
7. Employees may not change elections or cease participation during the plan year without a qualifying change in family status. The following is a list of qualifying changes in family status:
 - a) Legal Marital Status.
 - b) Gain or loss of a dependent (birth, adoption, death, exceed age limit).
 - c) Significant change in participants' employment status or work schedule.
 - d) Termination or significant change in participants' spouse's employment status.
 - e) Significant change in participant's spouse's company-sponsored benefits/eligibility.
8. Employees should use care in calculating a maximum election for the plan year. Any unused funds in the account at the end of the plan year will, by IRS requirement, be turned over to the District not the employee who forfeited them.